



## **Vietnam Prosperity Joint Stock Commercial Bank**

Consolidated 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 45<sup>th</sup> 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 consolidated 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 Duc Vinh	Member
Mr. Takeshi Kimoto	Member (since 29 April 2024)
Ms. Pham Thi Nhung	Member (since 29 April 2024)
Mr. Nguyen Van Phuc	Independent member

# 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 consolidated financial statements are as follows:

<u>Name</u>	<u>Position</u>
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 consolidated financial statements are as follows:

<u>Name</u>	<u>Position</u>
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 consolidated financial statements is Mr. Ngo Chi Dzung - Chairman.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at 31 December 2024

	Notes	31 December 2024 VND million	31 December 2023 VND million
<b>ASSETS</b>			
Cash, gold and gemstones	5	2,148,289	2,284,990
Balances with the State Bank of Vietnam	6	14,327,215	8,422,511
<b>Placements with and credit granting to other credit institutions</b>		<b>134,643,662</b>	<b>94,093,778</b>
Placements with other credit institutions	7.1	126,527,280	81,299,073
Credit granting to other credit institutions	7.2	8,116,382	12,794,705
<b>Securities held for trading</b>	<b>8</b>	<b>13,110,971</b>	<b>12,325,809</b>
Securities held for trading	8.1	13,180,721	12,406,274
Provision for securities held for trading	8.2	(69,750)	(80,465)
<b>Loans to customers</b>		<b>676,545,598</b>	<b>551,472,066</b>
Loans to customers	10	692,875,738	566,271,290
Provision for loans to customers	11	(16,330,140)	(14,799,224)
<b>Debts purchased</b>	<b>12</b>	<b>799,825</b>	<b>821,761</b>
Debts purchased		805,869	827,971
Provision for debts purchased		(6,044)	(6,210)
<b>Investment securities</b>		<b>52,783,054</b>	<b>94,587,476</b>
Available-for-sale securities	13.1	51,857,428	88,050,457
Held-to-maturity securities	13.4	992,927	6,755,260
Provision for investment securities	13.2, 13.5	(67,301)	(218,241)
<b>Long-term investments</b>	<b>14</b>	<b>189,210</b>	<b>189,210</b>
Other long-term investments		189,210	189,210
<b>Fixed assets</b>		<b>2,023,899</b>	<b>1,923,801</b>
<i>Tangible fixed assets</i>	15.1	1,437,082	1,298,099
Cost		3,406,801	2,994,200
Accumulated depreciation		(1,969,719)	(1,696,101)
<i>Intangible fixed assets</i>	15.2	586,817	625,702
Cost		2,086,191	1,908,548
Accumulated depreciation		(1,499,374)	(1,282,846)
<b>Other assets</b>		<b>27,275,914</b>	<b>51,445,520</b>
Receivables	16.1	11,411,320	33,969,441
Interest and fees receivable	16.2	8,384,069	8,976,228
Deferred corporate income tax assets	24.2	1,195,836	1,297,724
Other assets	16.3	6,547,735	7,354,383
<i>In which: Goodwill</i>	17	41,310	118,507
Provision for other assets	16.4	(263,046)	(152,256)
<b>TOTAL ASSETS</b>		<b>923,847,637</b>	<b>817,566,922</b>

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

	<i>Notes</i>	<i>31 December 2024</i> VND million	<i>31 December 2023</i> VND million
<b>LIABILITIES</b>			
<b>Amounts due to the Government and the State Bank of Vietnam</b>	<b>18</b>	<b>5,713</b>	<b>4,118,311</b>
Deposits and borrowings from the Government and the State Bank of Vietnam		5,713	4,118,311
<b>Deposits and borrowings from financial institutions and other credit institutions</b>		<b>201,756,421</b>	<b>156,356,651</b>
Deposits from other credit institutions	19.1	111,863,209	83,234,756
Borrowings from financial institutions and other credit institutions	19.2	89,893,212	73,121,895
<b>Customer deposits</b>	<b>20</b>	<b>485,666,548</b>	<b>442,368,381</b>
<b>Derivatives and other financial liabilities</b>	<b>9</b>	<b>28,057</b>	<b>392</b>
<b>Other borrowed and entrusted funds</b>	<b>21</b>	<b>10,894</b>	<b>22,045</b>
<b>Valuable papers issued</b>	<b>22</b>	<b>66,975,704</b>	<b>47,787,312</b>
<b>Other liabilities</b>		<b>22,129,038</b>	<b>27,118,303</b>
Interest and fee payable	23.1	10,415,008	13,812,285
Deferred corporate income tax liability	24.2	26,517	65,310
Other liabilities	23.2	11,687,513	13,240,708
<b>TOTAL LIABILITIES</b>		<b><u>776,572,375</u></b>	<b><u>677,771,395</u></b>
<b>OWNERS' EQUITY</b>			
Equity		103,331,782	103,331,782
- Charter capital		79,339,236	79,339,236
- Share premium		23,992,546	23,992,546
Reserves		14,565,614	12,233,282
Retained earnings		24,007,579	19,065,969
Non-controlling interests		5,370,287	5,164,494
<b>TOTAL OWNERS' EQUITY</b>	<b>25</b>	<b><u>147,275,262</u></b>	<b><u>139,795,527</u></b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b><u>923,847,637</u></b>	<b><u>817,566,922</u></b>

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

INTERIM CONSOLIDATED OFF-BALANCE SHEET ITEMS

	Notes	31 December 2024	31 December 2023
		VND million	VND million
<b>Contingent liabilities</b>	<b>40</b>	<b>688,973,447</b>	<b>641,955,933</b>
Credit guarantees		848,721	1,754,978
Foreign exchange commitments		298,220,810	296,858,798
- Foreign exchange commitments - buy		2,972,620	264,965
- Foreign exchange commitments - sell		1,955,905	992,663
- Swap transaction commitment - receive		146,921,567	147,839,284
- Swap transaction commitment - pay		146,370,718	147,761,886
Letters of credit		16,461,049	38,680,116
Other guarantees		26,008,227	19,546,205
Other commitments		347,434,640	285,115,836
- In which: Unused revocable credit limits		229,511,446	205,810,854
<b>Other off-balance sheet items</b>	<b>41</b>	<b>212,782,373</b>	<b>150,407,788</b>
Uncollected interests and fee receivables	41.1	7,668,183	8,211,807
Bad debts written off	41.2	82,187,400	51,100,127
Other assets and documents	41.3	122,926,790	91,095,854
		<b>901,755,820</b>	<b>792,363,721</b>

Prepared by:

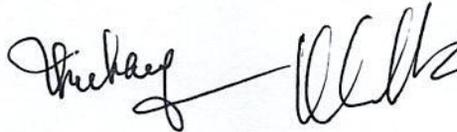


Ms. Pham Minh Thu  
Head of General  
Accounting and  
Accounting policy  
Department

Hanoi, Vietnam

22-01-2025

Reviewed by:



Ms. Nguyen Thi Thu Hang  
Chief Accountant

Ms. Le Hoang Khanh An  
Chief Financial Officer



Mr. Nguyen Duc Vinh  
Chief Executive Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
For quarter IV and for the year ended 31 December 2024

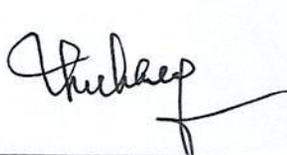
	Notes	Quarter IV		Accumulated since beginning of the Year until end of this Quarter	
		2024	2023	2024	2023
		VND million	VND million	VND million	VND million
Interest and similar income	27	21,401,247	20,430,922	80,111,645	76,557,377
Interest and similar expenses	28	(8,208,250)	(9,389,086)	(31,031,238)	(38,382,701)
<b>Net interest and similar income</b>		<b>13,192,997</b>	<b>11,041,836</b>	<b>49,080,407</b>	<b>38,174,676</b>
Fee and commission income		3,520,835	3,687,968	13,201,660	12,307,787
Fee and commission expenses		(1,978,945)	(1,690,843)	(7,075,337)	(5,095,905)
<b>Net fee and commission income</b>	29	<b>1,541,890</b>	<b>1,997,125</b>	<b>6,126,323</b>	<b>7,211,882</b>
<b>Net gain/(loss) from trading of foreign currencies</b>	30	<b>232,871</b>	<b>(185,079)</b>	<b>827,240</b>	<b>(805,973)</b>
<b>Net gain from held-for-trading securities</b>	31	<b>236,288</b>	<b>47,520</b>	<b>360,956</b>	<b>380,173</b>
<b>Net gain from investment securities</b>	32	<b>3,650</b>	<b>(44,912)</b>	<b>469,667</b>	<b>250,032</b>
Other operating income		3,744,662	1,375,257	9,559,809	7,774,012
Other operating expenses		(1,317,607)	(894,549)	(4,182,147)	(3,248,461)
<b>Net gain from other operating activities</b>	33	<b>2,427,055</b>	<b>480,708</b>	<b>5,377,662</b>	<b>4,525,551</b>
<b>Income from investments in other entities</b>	34	<b>9,654</b>	<b>-</b>	<b>12,801</b>	<b>3,147</b>
<b>TOTAL OPERATING INCOME</b>		<b>17,644,405</b>	<b>13,337,198</b>	<b>62,255,056</b>	<b>49,739,488</b>
<b>TOTAL OPERATING EXPENSES</b>	35	<b>(3,791,098)</b>	<b>(3,644,884)</b>	<b>(14,339,732)</b>	<b>(13,941,218)</b>
<b>Net profit before provision for credit losses</b>		<b>13,853,307</b>	<b>9,692,314</b>	<b>47,915,324</b>	<b>35,798,270</b>
Provision expenses for credit losses	36	(7,701,873)	(7,167,744)	(27,902,624)	(24,994,374)
<b>PROFIT BEFORE TAX</b>		<b>6,151,434</b>	<b>2,524,570</b>	<b>20,012,700</b>	<b>10,803,896</b>
Current corporate income tax expense	24.1	(1,113,274)	(559,805)	(3,962,779)	(2,984,015)
Deferred corporate income tax expense/(income)		1,362	(222)	(63,095)	674,290
<b>Corporate income tax expense</b>		<b>(1,111,912)</b>	<b>(560,027)</b>	<b>(4,025,874)</b>	<b>(2,309,725)</b>
<b>PROFIT AFTER TAX</b>		<b>5,039,522</b>	<b>1,964,543</b>	<b>15,986,826</b>	<b>8,494,171</b>
<b>Non-controlling interests</b>		<b>422,102</b>	<b>13,097</b>	<b>208,031</b>	<b>(1,479,768)</b>
<b>Net profit of the Bank's shareholders</b>		<b>4,617,420</b>	<b>1,951,446</b>	<b>15,778,795</b>	<b>9,973,939</b>
<b>Basic earnings per share (VND)</b>	26			<b>1,989</b>	<b>1,433</b>

Prepared by:

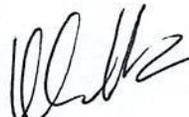
Reviewed by:



Ms. Pham Minh Thu  
Head of General  
Accounting and  
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Department  
Hanoi, Vietnam



Ms. Nguyen Thi Thu Hang  
Chief Accountant



Ms. Le Hoang Khanh An  
Chief Financial Officer



Approved by:

Mr. Nguyen Duc Vinh  
Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT  
For the year ended 31 December 2024

	<i>Notes</i>	<i>For the year ended 31 December 2024 VND million</i>	<i>For the year ended 31 December 2023 VND million</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest and similar receipts		79,761,557	75,607,344
Interest and similar payments		(34,127,232)	(33,563,210)
Net fee and commission receipts		6,885,044	6,769,431
Net receipts from dealing in foreign currencies, gold and securities trading activities		1,378,451	504,746
Other income/(expenses)		(198,681)	2,065,153
Recoveries from bad debts previously written-off		5,574,886	2,495,093
Payments for employees and other operating		(13,510,646)	(13,563,177)
Corporate income tax paid in the year	24.1	(3,503,868)	(4,082,839)
<b>Net cash flows from operating profit before changes in operating assets and liabilities</b>		<b>42,259,511</b>	<b>36,232,541</b>
<b><i>Changes in operating assets</i></b>			
(Increase)/Decrease in placements with and credit granting to other credit institutions		4,678,323	(5,581,091)
(Increase)/Decrease in investment securities		39,520,021	(15,071,380)
Increase in loans to customers and debt purchased		(129,369,500)	(132,240,812)
Decrease in provision to write off loans to customers, securities and long-term investments		(23,511,227)	(19,444,959)
Decrease in changes in other operating assets		22,837,018	1,051,359
<b><i>Changes in operating liabilities</i></b>			
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		45,399,770	16,107,535
Increase in customer deposits		43,298,167	139,216,964
Increase/(Decrease) in valuable papers issued (except for valuable papers issued for financing activities)		19,188,392	(15,912,662)
Decrease in other borrowed and entrusted funds		(11,151)	(25,005)
Increase/(Decrease) in derivatives and other financial liabilities		27,665	(14,977)
Increase/(Decrease) in other operating liabilities		(2,888,206)	4,952,988
<b>Net cash flows from operating activities</b>		<b>57,316,185</b>	<b>11,459,579</b>

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

Notes	For the year ended 31 December 2024 VND million	For the year ended 31 December 2023 VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(59,296)	(107,210)
Proceeds from sale, disposal of fixed assets	1,715	965
Expenses on sale, disposal of fixed assets	(259)	-
Dividends received and profit distributed from long-term investments	12,801	3,147
<b>Net cash flows used in investing activities</b>	<b>(45,039)</b>	<b>(103,098)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in share capital from capital contribution and/or share issuance	-	35,897,546
Dividends paid and profits distributed	(7,935,832)	(7,933,924)
Receipt from selling of treasury shares	-	302,196
<b>Net cash flows from financing activities</b>	<b>(7,935,832)</b>	<b>28,265,818</b>
<b>Net cash flows in the year</b>	<b>49,335,314</b>	<b>39,622,299</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>93,667,470</b>	<b>54,045,171</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>143,002,784</b>	<b>93,667,470</b>
37		

**SIGNIFICANT NON-CASH TRANSACTIONS  
IN THE YEAR**

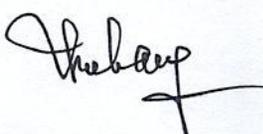
Decrease in share premium due to issuance of treasury shares for ESOP (581,270)

Prepared by:

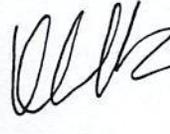


Ms. Pham Minh Thu  
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Reviewed by:



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Chief Accountant



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Chief Financial Officer



Mr. Nguyen Duc Vinh  
Chief Executive Officer

Hanoi, Vietnam

22-01-2025

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

1. GENERAL INFORMATION

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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 45<sup>th</sup> time on 27 November 2023. The Bank started operation on 12 August 1993 with an operation period of 99 years.

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*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).

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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.

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

1. GENERAL INFORMATION (Continued)

*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 JSC ("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%

(\*) On 9 May 2024, OPES Insurance Joint Stock Company increased its charter capital to VND1,265 billion. VPBank holds 125,400,000 shares, equivalent to 99.13% ownership ratio.

*Employees*

As at 31 December 2024, total number of permanent employees of the Bank is 27,428 persons (31 December 2023: 24,973 persons).

2. FISCAL YEAR 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 consolidated financial statements of the Bank is Vietnam dong ("VND") and rounded to the nearest million ("VND million").

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

### 3. APPLIED ACCOUNTING STANDARDS AND SYSTEM

#### 3.1 *Statement of compliance*

The Board of Management of the Bank confirms that the accompanying interim consolidated 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 consolidated financial statements.

#### 3.2 *Accounting standards and system*

The consolidated financial statements of the Bank are prepared in accordance with the Accounting System applicable to Credit Institutions required under Decision No. 479/2004/QD-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/QD-NHNN; the financial reporting regime applicable to credit institutions required under Decision No. 16/2007/QD-NHNN dated 18 April 2007, Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QD-NHNN and the chart of account system for Credit Institutions issued in connection with Decision No. 479/2004/QD-NHNN by the State Bank of Vietnam and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

The accompanying consolidated financial statements have been prepared using accounting principles, procedures and reporting practices generally accepted in Vietnam. Accordingly, the accompanying consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated cash flow statement and the notes to the consolidated financial statements and their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position, results of consolidated operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Items or balances required by Decision No. 16/2007/QD-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 consolidated financial statements indicate nil balance.

#### 3.3 *Assumptions and uses of estimates*

The presentation of the consolidated 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.

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

**3. APPLIED ACCOUNTING STANDARDS AND SYSTEM (continued)**

**3.4 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the six-month period end 31 December 2024.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control and continued to be consolidated until the date on which the Bank terminates control in subsidiaries.

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

All intra-group balances, income and expenses and unrealized gains or losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests represent the portion of the profit or loss and net assets not held by the Bank and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

**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 consolidated financial statements are consistent with those followed in the preparation of the Bank's consolidated financial statements for the financial 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.

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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:

*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.

**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.

The credit risk classification of placements with and credit granting to other credit institutions and provision for credit risks thereof are provided in accordance with *Note 4.5*.

**4.4 *Loans to customers***

Loans to customers are presented at the principal amounts outstanding as at the end of the year less provision for loans to customers.

Provision for credit losses of loans to customers is accounted and presented as a separate line in the interim separate statement of financial position. Loan classification and provision for credit losses are made according to Circular 11 as presented 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.

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.5 *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").

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, 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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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"> <li>▪ Debts made in compliance with Clause 1, 3, 4, 5, 6 under Article 134 of Law on Credit Institutions; or</li> <li>▪ Debts made in compliance with Clause 1, 2, 3, 4 under Article 135 of Law on Credit Institutions; or</li> <li>▪ Debts made in compliance with Clause 1, 2 and 5 under Article 136 of Law on Credit Institutions.</li> </ul> (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 SBV based on the results of inspection, supervision and relevant credit information.	20%

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *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 SBV based on the results of inspection, supervision and relevant credit information.	100%

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

When the Bank participates 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	Until 31 December 2023
100% of the additional specific provision	Until 31 December 2024

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

*Debt provisioning policies for margin activities and advances to customers of VPBank Securities Joint Stock Company ("VPBankS")*

Provisions for margin activities and advances to customers of VPBankS are presented in Note 4.14.2 in accordance with Circular 48/2019/TT-BTC ("Circular 48"), in order to take into account the specific nature of these receivables and to ensure alignment with reports of VPBankS. Increase or decrease in balances of provision is recognized in the "Provision expenses for credit losses" item in the consolidated statement of profit or loss.

**4.6 *Securities held for trading***

Securities held for trading include debt securities and equity securities acquired and held 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 consolidated interim 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.

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

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.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 *Available-for-sale securities*

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 consolidated statement of profit or 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.

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 consolidated 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.

Gains or losses from sales of available-for-sale securities are recognized in the consolidated statement of profit or loss.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 *Held-to-maturity investment securities*

Held-to-maturity investment securities include special bonds issued by Vietnam Asset Management Company ("VAMC") and other investment securities held to maturity.

*Special bonds issued by 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 consolidated 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".

*Other held-to-maturity securities*

Other held-to-maturity securities are debt securities purchased by the Bank and its subsidiaries for the investment purpose of earning interest and the Bank and its subsidiaries has the intention and capability to hold these investment until maturity. Other held-to-maturity securities have determinable value and maturity date. In case the securities are sold before the maturity date, the remaining of that portfolio will be reclassified to securities held for trading or available-for-sale securities.

Other held-to-maturity securities are recorded and measured identical to available-for sale securities and presented at Note 4.7.

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.9 Re-purchase and reverse re-purchase contracts**

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

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

**4.10 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.

At the consolidated statement of financial position date and/or at the year end, if the investments to other economic institution are impaired in comparison with value at the investment date, the Bank makes provision accordance to Clause 2 Article 5 of Circular No. 48/2019/TT-BTC.

Based on the interim separate financial statements of the investee at the same time with the Bank's interim consolidated financial statements, provision for diminution in the value of other long-term 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 interim financial statements 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.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.11 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 recorded in the consolidated statement of profit or loss.

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

##### 4.12 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 - 10 years
Machines and equipment	3 - 7 years
Computer software	2 - 14 years
Other fixed assets	2 - 5 years
Office equipment	3 - 5 years

##### 4.13 Operating lease

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

##### 4.14 Receivables

###### 4.14.1 Receivables classified as credit-risk bearing assets

Receivables classified as credit-risk assets are recognized at cost. Receivables classified as credit-risk assets are classified 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.

###### 4.14.2 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 consolidated statement of profit or loss in the year.

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.14 Receivables (continued)**

**4.14.2 Other receivables (continued)**

Provision for overdue debts is made in accordance with Circular No. 48/2019/TT-BTC 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%

**4.15 Prepaid expenses, expenses awaiting allocation and deposits**

*Prepaid expenses and expenses awaiting allocation*

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

*Statutory deposit of OPES Insurance Joint Stock Company*

In accordance with Decree No. 46 and the Insurance Business Law issued on 16 June 2022 which is effective from 01 January 2023, the Company has to maintain compulsory margin deposits equivalent to 2% of its legal capital at a commercial bank in Vietnam. The compulsory margin deposit earns interest as agreed with the bank and is permitted to withdraw only upon cessation of business operation. The margin deposit is used to fulfill its obligations with the insurance beneficiaries only when the Company's liquidity is inadequate and this must be approved by the Ministry of Finance.

**4.16 Technical reserves of insurance**

Technical reserves of insurance are made in accordance with regulations and guidance under Circular 67/2023/TT-BTC dated 2 November 2023 ("Circular 67") issued by the Ministry of Finance on guidelines for the Law of insurance and Government's Decree no. 46/2023/ND-CP dated 1 July 2023 ("Decree 46") on details of the implementation of the Law on insurance business issued in 2022. The Ministry of Finance approved insurance reserve-making method. Details of the methodologies are presented as follows:

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 *Technical reserves of insurance* (continued)

4.16.1 *Unearned premium reserve for non-life insurance and health insurance with policy term not greater than one year*

Unearned premium reserve is reserve for insurance premium corresponding to the Bank's exposure of risk after the reporting date. Accordingly, unearned premium reserve for insurance and re-insurance contract is calculated as below:

$$\text{Unearned premium reserve} = \frac{\text{Insurance premium} \times \text{Number of unexpired days of insurance or reinsurance contract}}{\text{Total number of days of insurance or reinsurance contract}}$$

Unearned premium reserve of insurance and reinsurance business is a liability. Unearned premium reserve for ceding reinsurance business is an asset in the consolidated statement of financial position.

4.16.2 *Claim reserve for non-life insurance*

Claim reserve includes reserve for claims outstanding at the end of the year but not yet resolved and for claims incurred which the insurer is liable but not reported:

- Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the year; and
- Claims incurred but not reported for which the insurer is liable ("IBNR") are claims incurred in current or previous periods but not yet reported to insurance or reinsurance company as at the end of the year. Claim reserve for incurred but not reported ("IBNR") losses is establish reserves a rate of 3% of the insurance premium for each insurance types.

Claim reserve of insurance and reinsurance business is a liability; claim reserve of ceding reinsurance is an asset in the consolidated statement of financial position.

4.16.3 *Catastrophe reserve for non-life insurance*

Catastrophe reserve is made annually at 1% of the retained insurance premium for each insurance operation. Catastrophe reserve will be made until it reaches 100% retained insurance premium of the current fiscal year.

Catastrophe reserve is a liability in the consolidated statement of financial position.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 *Technical reserves of insurance* (continued)

4.16.4 *Mathematical reserve for health insurance with policy term greater than one year*

For health insurance contracts with term of more than one year (except for deployed health insurance contracts, which only cover death or total permanent disability), mathematical reserve is made using the daily method on the basis of gross premium. In all cases, the Bank ensured that the mathematical reserve would not be lower than that made under 1/8<sup>th</sup> method.

For health insurance contracts with term of more than one year and only cover death, total permanent disability, mathematical reserve is made using net premium method.

Mathematical reserve is recorded in the unearned premium reserve in the consolidated statement of financial position.

4.16.5 *Claim reserve for health insurance*

Claim reserve includes reserve for claims outstanding at the end of the year but not yet resolved and for claims incurred which the insurer is liable but not reported.

Claim reserve is established for each insurance type based on the estimated claim amount for each loss that has been reported but has not been settled by the end of the year, after deducting the recovery from retrocession; and claim reserve for incurred but not reported losses is establish according to the following formula for each insurance type:

$$\begin{array}{r}
 \text{Claims} \\
 \text{reserve for} \\
 \text{covered} \\
 \text{losses that} \\
 \text{have occurred} \\
 \text{but have not} \\
 \text{been reported} \\
 \text{or claimed of} \\
 \text{the current} \\
 \text{fiscal year}
 \end{array}
 = \frac{\text{Total indemnities} \\
 \text{for losses that have} \\
 \text{occurred but have} \\
 \text{not been reported} \\
 \text{or claimed of last} \\
 \text{three consecutive} \\
 \text{fiscal years}}{\text{Total indemnities of} \\
 \text{last three} \\
 \text{consecutive fiscal} \\
 \text{years}} \times \text{Indemnity} \\
 \text{of current} \\
 \text{fiscal} \\
 \text{year} \times \frac{\text{Net revenue} \\
 \text{earned from} \\
 \text{insurance} \\
 \text{business of} \\
 \text{current fiscal} \\
 \text{year}}{\text{Net revenue} \\
 \text{earned from} \\
 \text{insurance} \\
 \text{business of} \\
 \text{last fiscal year}} \times \frac{\text{Average} \\
 \text{deferred} \\
 \text{time of} \\
 \text{claims of} \\
 \text{current} \\
 \text{fiscal year}}{\text{Average} \\
 \text{deferred} \\
 \text{time of} \\
 \text{claims of} \\
 \text{last fiscal} \\
 \text{year}}$$

Claim reserve of insurance and reinsurance business is a liability; claim reserve of ceding reinsurance is an asset in the consolidated statement of financial position.

4.16.6 *Equalization reserve for health insurance*

The annual reserve is set at 1% retained insurance premium for each insurance operations and is recorded in the unearned premium reserve in the consolidated statement of financial position.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 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

*Reserves of the Bank*

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

Financial reserve is used to cover financial losses incurred during the normal course of business. Financial reserve and charter capital supplementary reserve are non-distributable and classified as 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 *Share capital* (continued)

4.17.4 *Statutory reserves* (continued)

***Reserves of VPBank Asset Management Company Limited***

According to Circular No. 27/2002/TT-BTC issued by the Ministry of Finance dated 22 March 2002, VPB AMC is required to make appropriation of profit to reserves in a similar way to the Bank.

According to Circular No. 200/2014/TT-BTC, for the financial year starting on or after 1 January 2015, VPB AMC has stopped making provision for financial reserve.

***Reserves of VPBank SMBC Finance Company Limited***

VPB SMBC FC is required to make appropriation of profit to reserves in a similar way to the Bank.

***Reserves of VPBank Securities Corporation***

The Securities Company made its reserve funds in accordance with the resolution of the General Meeting of Shareholders.

***Reserve of OPES Insurance joint stock company***

Statutory reserve is made for the purpose of supplementing charter capital and ensuring the solvency of the Company. Statutory reserve is set at five percent (5%) profit after tax and maximum of the reserve is ten percent (10%) OPES's charter capital according to Decree 46/2023/ND-CP dated 1 July 2023.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Recognition of income and expenses

*Income and expense from banking activities*

Interest income and expenses are recognized in the consolidated 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 consolidated statement of profit and loss. This accrued interest is reversed and monitored off-balance sheet and recognized in the consolidated 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 consolidated 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 consolidated statement of profit or loss. Instead, only changes in the number of shares held by the Bank will be updated and presented.

*Insurance income and expense*

*Insurance premium income*

Insurance premium income is recognized according to Circular No. 67 guiding financial regime for insurance enterprise, reinsurance enterprise, insurance brokerage enterprises, and branches of foreign non-life insurance enterprises.

Direct insurance premium income is recognized when there is an insurance liability towards the policyholder, in particular, when the following conditions are met: (1) there is a contractual agreement or evidence of insurance agreement between the insurer and the insured; (2) Starting insurance term according to the agreement; (3) The insured has paid the premiums fully or there is an agreement between the insurer and the insured for payment term of the insurance premium. In case of a one-time payment of insurance premium, the Company records insurance premium income at the beginning of the insurance term. In case of periodical payment of the insurance premiums, the Company records insurance premium income corresponding to the years of insurance premiums incurred instead of the insurance premium income that the insured has not been paid.

Refunds or reductions insurance premium income are tracked separately and transferred to the insurance premium income account to calculate net income at the end of the year.

Insurance contracts concluded before the effective date of the 2022 Law of Insurance Business and still within the contract period continue to be executed according to the legal provisions at the time of contract conclusion. This is unless the parties to the insurance contract agree to amend or supplement the contract to comply with the 2022 Law of Insurance Business its regulations.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 *Recognition of income and expenses (continued)*

*Insurance income and expense (continued)*

*Claim expense, commission, insurance-agent-support expense and other insurance expenses*

Claim expense is recognized when the claim file is completed and approved by authorized person. In case that the claim amount has not yet been finalized but it is certain that there is a loss liability under insurance policy and a part of the claim amount has been paid to the policy holders according to their claim then this claim payment is recorded as claim expense. Unapproved claims as at the end of the accounting period are considered as unresolved and are accounted for when making claim reserve.

Commission expenses of each insurance products are calculated as a certain rate of the original insurance premium according to agency contracts, brokerage agreements in line with rate regulated in Circular 50 and only commission expense which is allocated in the year corresponding with income from insurance premium earned is recognized as insurance expense. The unallocated commission expense is recognized as a prepaid expense and will be allocated in insurance expense for subsequent periods. For health insurance operation, expense related to rewarding and supporting agents could not exceed 100% commissions of insurance policies that have been exercised during the year according to current regulations.

Insurance-agent-support expense and other insurance expense are direct expenses incurred of insurance policies and are allocated under unearned premium reserve method. The balance of these expenses as at the reporting date reflects expenses corresponding to the unearned insurance premium. For non-life insurance business, rewarding and agent-support expense could not exceed 50% commissions of insurance policies that have been exercised during fiscal year. Especially for health insurance operation, expense related to rewarding and supporting agents could not exceed 100% commissions of insurance policies that have been exercised during the fiscal year in accordance with Circular 89/2022/TT-BTC ("Circular 89") dated 11 November 2020.

*Concession of reinsurance*

Reinsurance ceding fees, reinsurance ceding commissions and other income arising from reinsurance ceding activities are recognized in the same period as in the accounting period in which income from corresponding insurance premiums or similar reinsurance fee are recognized.

At the end of the accounting period, the balance of reinsurance ceding commissions that have not been included in this period's income corresponding to the unearned reinsurance premium income must be determined to be allocated in the following accounting periods according to unearned premium reserve method.

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.19 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 ("Circular18") 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 records 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 collects 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 collects 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.

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 in as presented in *Note 4.5*.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 *Debts trading operation* (continued)

*Sale of debts*

According to Circular 09 and Circular 18, the Bank implements financial settlements and accounting records sale of 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 year;
  - 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, as 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 consolidated 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 CONSOLIDATED 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 consolidated statement of financial position date (*Note 49*). 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 consolidated statement of financial position and will be transferred to the consolidated statement of profit or loss at the end of 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 State Bank of Vietnam**

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 interim consolidated 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 year 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 consolidated statement of profit or loss except when it relates to items recognized directly to equity, in this case the current income tax is also 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' 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 consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.24 Corporate income taxes (continued)**

*Deferred tax*

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

Assets held in a fiduciary capacity are recorded in "Other assets and documents" line in off-balance sheet items in the consolidated financial position.

**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.

**4.27 Offsetting**

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.28 *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 and subsidiaries.

*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 consolidated statement of financial position and will be transferred to the consolidated statement of profit or loss at the end of accounting 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 consolidated statement of profit or 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 consolidated statement of profit or loss.

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.29 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-BLDTBXH 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.

**4.30 Business combinations and goodwill**

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

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Bank's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of profit or loss. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over three (3) years on a straight-line basis.

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

**5 CASH, GOLD AND GEMSTONES**

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Cash on hand in VND	1,891,475	2,076,239
Cash on hand in foreign currencies	228,426	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**

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Demand deposit at the SBV		
<i>In VND</i>	14,118,276	8,090,914
<i>In foreign currencies</i>	208,939	331,597
	<u>14,327,215</u>	<u>8,422,511</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:

	<i>CRR rates (%)</i>	
	<u><i>31 December 2024</i></u>	<u><i>31 December 2023</i></u>
Preceding month average balances of:		
Deposits 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 CONSOLIDATED 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

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Demand deposits	11,216,445	9,627,143
In VND	9,786,086	7,948,388
In foreign currencies	1,430,359	1,678,755
Term deposits	115,310,835	71,671,930
In VND	93,195,000	63,720,000
In foreign currencies	22,115,835	7,951,930
	<u>126,527,280</u>	<u>81,299,073</u>

### 7.2 Credit granting to other credit institutions

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

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

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Current	123,427,217	84,466,635
	<u>123,427,217</u>	<u>84,466,635</u>

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

## 8. SECURITIES HELD FOR TRADING

### 8.1 Securities held for trading

	31 December 2024 VND million	31 December 2023 VND million
<b>Securities held for trading</b>		
Government and municipal securities	-	581,548
Debt securities issued by other credit institutions	3,202,820	1,565,554
Debt securities issued by local economic entities	8,337,286	8,749,317
Equity securities issued by other economic entities	1,640,615	1,509,855
	<u>13,180,721</u>	<u>12,406,274</u>
<b>Provision for securities held for trading</b>		
General provision	(69,750)	(80,465)
Specific provision	(57,176)	(14,845)
Diminution provision	-	(65,620)
	<u>(12,574)</u>	<u>-</u>
	<u>13,110,971</u>	<u>12,325,809</u>

Face value of valuable papers pledged for capital mobilization contracts and repos at other credit institutions as at 31 December 2024 amounted to VND3,110,000 million (31 December 2023: VND1,550,000 million).

### 8.2 Provision for securities held for trading

Changes in provision of trading securities for the year ended 31 December 2024 are as follows:

	General provision VND million	Specific provision VND million	Diminution provision VND million	Total VND million
Opening balance	65,620	14,845	-	80,465
Provision charged/(reversed) in the year (Note 31)	(8,444)	(14,845)	12,574	(10,715)
Closing balance	<u>57,176</u>	<u>-</u>	<u>12,574</u>	<u>69,750</u>

Changes in provision of trading securities for the year ended 31 December 2023 are as follows:

	General provision VND million	Specific provision VND million	Diminution provision VND million	Total VND million
Opening balance	57,192	-	-	57,192
Provision charged in the year (Note 31)	8,428	14,845	-	23,273
Closing balance	<u>65,620</u>	<u>14,845</u>	<u>-</u>	<u>80,465</u>

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

**8. SECURITIES HELD FOR TRADING (continued)**

**8.3 Securities held for trading by listing status**

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Listed bond	713,869	581,548
Unlisted bond (Note 8.4)	7,623,416	8,749,317
Listed Shares	25,771	25,771
Unlisted Shares	1,614,845	1,484,084
Other unlisted valuable papers (Note 8.4)	3,202,820	1,565,554
	<u>13,180,721</u>	<u>12,406,274</u>

**8.4 Analysis of trading securities by quality**

Analysis by quality of trading securities classified as credit risk bearing asset at the reporting date is as follows:

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Current	10,826,236	10,240,644
Substandard	-	74,227
	<u>10,826,236</u>	<u>10,314,871</u>

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

### 9. DERIVATIVES AND OTHER FINANCIAL LIABILITIES

	<i>Total contract nominal value (at contractual exchange rate) VND million</i>	<i>Total carrying value (at exchange rate as at reporting date)</i>		
		<i>Cash in-flow VND million</i>	<i>Cash out-flow VND million</i>	<i>Net value VND million</i>
<b>As at 31 December 2024</b>				
<i>Derivative financial instruments</i>				
Currency forward contracts	175,293,112	169,487,982	(168,891,987)	595,995
Currency swap contracts	36,417,208	36,108,740	(36,071,453)	37,287
<i>Other derivative financial instruments</i>	138,875,904	133,379,242	(132,820,534)	558,708
	<u>74,713,435</u>	<u>24,329,165</u>	<u>(24,953,217)</u>	<u>(624,052)</u>
	<u>250,006,547</u>	<u>193,817,147</u>	<u>(193,845,204)</u>	<u>(28,057)</u>
<b>As at 31 December 2023</b>				
<i>Derivative financial instruments</i>				
Currency forward contracts	203,295,596	190,677,043	(190,424,992)	252,051
Currency swap contracts	69,085,137	69,360,046	(69,238,263)	121,783
<i>Other derivative financial instruments</i>	134,210,459	121,316,997	(121,186,729)	130,268
	<u>48,616,991</u>	<u>32,589,355</u>	<u>(32,841,798)</u>	<u>(252,443)</u>
	<u>251,912,587</u>	<u>223,266,398</u>	<u>(223,266,790)</u>	<u>(392)</u>

### 10. LOANS TO CUSTOMERS

	<i>31 December 2024</i>		<i>31 December 2023</i>	
	<i>VND million</i>	<i>%</i>	<i>VND million</i>	<i>%</i>
Loans to domestic economic entities and individuals	613,425,129	88.55	507,160,706	89.56
Discounted bills and valuable papers	309,971	0.04	195,586	0.03
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
Other credit granting to customers	69,460,197	10.02	51,564,355	9.10
Margin activities and advances to customers	9,512,536	1.37	7,167,605	1.27
	<u>692,875,738</u>	<u>100</u>	<u>566,271,290</u>	<u>100</u>

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

**10.1 Analysis of loan portfolio by quality**

Analysis of loan portfolio by quality as 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>
Current	610,932,843	491,716,829
Special mention	43,360,194	38,959,002
Substandard	10,852,509	12,074,224
Doubtful	12,098,440	11,990,997
Loss	6,119,216	4,362,633
Margin activities and advances to customers	9,512,536	7,167,605
	<b>692,875,738</b>	<b>566,271,290</b>

**10.2 Analysis of loan portfolio by original maturity**

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Short term	243,510,305	199,935,076
Medium term	270,968,248	221,800,751
Long term	168,884,649	137,367,858
Margin activities and advances to customers	9,512,536	7,167,605
	<b>692,875,738</b>	<b>566,271,290</b>

NOTES TO THE CONSOLIDATED 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
One-member limited liability companies with 100% State ownership	7,852	0.00	24,285	0.00
Two or more 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	181,323,403	26.17	119,502,110	21.10
Joint stock companies with over 50% State ownership or being controlled by the State	93,813	0.01	91,318	0.02
Other joint-stock companies	187,081,564	27.00	146,002,988	25.78
Partnership	1,002	0.00	946	0.00
Private enterprises	51,021	0.01	55,690	0.01
Foreign invested enterprises	3,770,491	0.54	221,562	0.04
Co-operatives and unions of co-operative	60,237	0.01	57,718	0.01
Household business and individuals	310,765,730	44.86	292,960,355	51.74
Operation administration entity, the Party, unions and associations	3,003	0.00	4,963	0.00
Others	2	0.00	122	0.00
Margin activities and advances to customers	9,512,536	1.37	7,167,605	1.27
	<b>692,875,738</b>	<b>100</b>	<b>566,271,290</b>	<b>100</b>

NOTES TO THE CONSOLIDATED 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	0.30	3,041,136	0.54
Mining	1,519,641	0.22	1,502,568	0.27
Processing, manufacturing	30,747,223	4.44	26,526,255	4.68
Electricity, petroleum and steam	861,118	0.12	1,408,650	0.25
Water supply and waste treatment	146,670	0.02	692,813	0.12
Construction	38,725,127	5.59	28,271,295	4.99
Wholesale and retail trade, repair of motor vehicles, motor cycles and personal goods	70,911,252	10.23	53,438,420	9.44
Transportation and logistics	12,164,350	1.76	9,817,781	1.73
Hospitality and restaurants	18,952,714	2.74	13,296,812	2.35
Information and media	1,042,484	0.15	911,727	0.16
Finance, banking and insurance services	17,985,239	2.6	21,236,503	3.75
Real estates	186,736,821	26.95	114,894,070	20.29
Scientific research and technology	3,320,412	0.48	1,634,569	0.29
Administrative activities and support services	2,937,827	0.42	1,495,928	0.26
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	0.15	2,645,282	0.47
Healthcare and community development	591,474	0.09	1,219,198	0.22
Recreational, cultural, sporting activities	3,546,017	0.51	3,891,018	0.69
Other services	2,274,013	0.33	2,012,512	0.36
Households services, production of material products and services used by households	193,909,402	27.98	185,376,652	32.72
Individual borrowing for accommodation purpose and obtain land use rights	93,853,675	13.55	85,785,626	15.15
Margin activities and advances to customers	9,512,536	1.37	7,167,605	1.27
	<b>692,875,738</b>	<b>100</b>	<b>566,271,290</b>	<b>100</b>

NOTES TO THE CONSOLIDATED 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 reporting date is as follows:

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
General provision	5,042,519	4,152,736
Specific provision	11,203,859	10,595,049
Margin activities and advances to customers	83,762	51,439
	<u>16,330,140</u>	<u>14,799,224</u>

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>Provision for margin activities and advances to customers</i>	<i>Total</i>
	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>
Opening balance	4,152,736	10,595,049	51,439	14,799,224
Provision charged in the period (Note 36)	955,255	26,841,719	32,323	27,829,297
Utilization of provision to write-off bad debts and selling debt	(65,472)	(26,232,909)	-	(26,298,381)
Closing balance	<u>5,042,519</u>	<u>11,203,859</u>	<u>83,762</u>	<u>16,330,140</u>

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>Provision for margin activities and advances to customers</i>	<i>Total</i>
	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>
Opening balance	3,233,834	10,441,831	-	13,675,665
Provision charged in the period (Note 36)	935,297	23,961,316	51,439	24,948,052
Utilization of provision to write-off bad debts and selling debt	(16,395)	(23,808,098)	-	(23,824,493)
Closing balance	<u>4,152,736</u>	<u>10,595,049</u>	<u>51,439</u>	<u>14,799,224</u>

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

12. DEBTS PURCHASED

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Debt purchased in VND	805,869	827,971
Provision for debt purchased	(6,044)	(6,210)
	<u>799,825</u>	<u>821,761</u>

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

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Principal	805,869	827,971
	<u>805,869</u>	<u>827,971</u>

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

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Current	805,869	827,971
	<u>805,869</u>	<u>827,971</u>

Change in provision for debt purchased for the year are as follows:

	<i>For the year ended</i> <i>31 December 2024</i> <i>VND million</i>	<i>For the year ended</i> <i>31 December 2023</i> <i>VND million</i>
Opening balance	6,210	6,750
Provision reversed in the year (Note 36)	(166)	(540)
Closing balance	<u>6,044</u>	<u>6,210</u>

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

### 13. INVESTMENT SECURITIES

#### 13.1 Available-for-sale securities

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Debt securities	51,842,071	88,035,100
Government and municipal securities	33,571,973	37,771,313
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	7,966,743	23,605,716
Equity securities	15,357	15,357
Equity securities issued by domestic economic entities	15,357	15,357
	<u>51,857,428</u>	<u>88,050,457</u>
Provision for available-for-sale securities	(67,301)	(210,216)
General provision	(59,751)	(177,043)
Specific provision	-	(27,932)
Diminution provision	(7,550)	(5,241)
	<u>51,790,127</u>	<u>87,840,241</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 VND2,576,000 million (31 December 2023: VND3,345,000 million).

As at 31 December 2024, face value of valuable papers sold under agreement to repurchase amounted 2,000,000 million (as 31 December 2023: VND5,000,000 million).

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

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Listed bonds	34,788,672	38,130,755
Unlisted bonds (Note 13.3)	11,498,662	36,426,537
Other unlisted valuable papers (Note 13.3)	5,554,737	13,477,808
Listed equity securities	15,357	15,357
	<u>51,857,428</u>	<u>88,050,457</u>

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

13. INVESTMENT SECURITIES (continued)

13.2 Provision for available-for-sale securities

Movement of provision for available-for-sale securities during the year ended 31 December 2024 are as follows:

	<i>General provision</i>	<i>Specific provision</i>	<i>Diminution provision</i>	<i>Total</i>
	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>
Opening balance	177,043	27,932	5,241	210,216
Provision charged/(reversed) in the year (Note 32)	(117,292)	(27,932)	2,309	(142,915)
Closing balance	<u>59,751</u>	<u>-</u>	<u>7,550</u>	<u>67,301</u>

Movement of provision for available-for-sale securities during the year ended 31 December 2023 are as follows:

	<i>General provision</i>	<i>Specific provision</i>	<i>Diminution provision</i>	<i>Total</i>
	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>
Opening balance	246,689	-	5,911	252,600
Provision charged/(reversed) in the year (Note 32)	(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>

13.3 Analysis of available-for-sale securities by quality

Analysis by quality of available-for-sale 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:

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Current	14,997,399	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
	<u>17,053,399</u>	<u>49,904,345</u>

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

13. INVESTMENT SECURITIES (continued)

13.4 Held-to-maturity securities

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Government bonds	-	1,054,790
Debt securities issued by other domestic economic entities	-	1,070,000
Other valuable papers issued by other domestic credit institutions	-	280,033
Special bonds VAMC (*)	992,927	4,350,437
	<u>992,927</u>	<u>6,755,260</u>
Provision for securities held to-maturity	-	(8,025)
General provision	-	(8,025)
	<u>992,927</u>	<u>6,747,235</u>

At the reporting date, the Bank and its subsidiaries do not have mortgage or pledge bonds.

In the year, due to change in holding purpose, a subsidiary reclassified bonds issued by domestic economic organizations from held-to-maturity investment securities to available-for-sale securities with a value of VND 1,070,000 million.

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

Analysis of held-to-maturity securities (exclude special bonds) by listing status at the reporting date are as follows:

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Listed bonds	-	1,054,790
Unlisted bonds (Note 13.6)	-	1,070,000
Other unlisted valuable papers (Note 13.6)	-	280,033
	<u>-</u>	<u>2,404,823</u>

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

### 13. INVESTMENT SECURITIES (continued)

#### 13.5 Provision for Held-to-maturity securities

Movement of provision for held-to-maturity securities during 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	8,025	-	8,025
Provision reversed in the year	(8,025)	-	(8,025)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

Movement of provision for held-to-maturity securities during 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	-	-	-
Provision charged in the year (Note 32)	8,025	-	8,025
<b>Closing balance</b>	<b>8,025</b>	<b>-</b>	<b>8,025</b>

#### 13.5 Analysis of provision for Held-to-maturity securities by quality

Analysis by quality of held-to-maturity (exclude special bonds VAMC) classified as credit risk bearing assets 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>
Current	-	1,350,033
	<b>-</b>	<b>1,350,033</b>

### 14. LONG-TERM INVESTMENTS

#### Other long-term investments

	<i>31 December 2024</i>		<i>31 December 2023</i>	
	<i>Cost</i>		<i>Cost</i>	
	<i>VND million</i>	<i>% owned</i>	<i>VND million</i>	<i>% owned</i>
<b>Investments in economic entities</b>				
Vietnam Credit Information JSC	3,934	3.28	3,934	3.28
Sai Gon Port JSC	185,276	7.44	185,276	7.44
	<b>189,210</b>		<b>189,210</b>	

NOTES TO THE CONSOLIDATED 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>
<b>Cost</b>						
Opening balance	1,017,139	1,528,146	212,673	179,168	57,074	2,994,200
Purchases in the year	-	2,377	24,946	3,288	-	30,611
Other increase	-	362,225	-	41,532	-	403,757
Disposal	-	(1,133)	(11,645)	(6,012)	(2,977)	(21,767)
<b>Closing balance</b>	<b>1,017,139</b>	<b>1,891,615</b>	<b>225,974</b>	<b>217,976</b>	<b>54,097</b>	<b>3,406,801</b>
<b>Accumulated depreciation</b>						
Opening balance	172,500	1,172,980	142,270	151,443	56,908	1,696,101
Charge for the year	26,412	231,542	18,318	18,682	159	295,113
Disposal	-	(1,133)	(11,373)	(6,012)	(2,977)	(21,495)
<b>Closing balance</b>	<b>198,912</b>	<b>1,403,389</b>	<b>149,215</b>	<b>164,113</b>	<b>54,090</b>	<b>1,969,719</b>
<b>Net book value</b>						
As at beginning date	844,639	355,166	70,403	27,725	166	1,298,099
As at closing date	818,227	488,226	76,759	53,863	7	1,437,082

Cost of fully-depreciated tangible fixed assets which are still in active use as at 31 December 2024 is VND1,325,729 million (31 December 2023: VND1,184,580 million).

NOTES TO THE CONSOLIDATED 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>
<b>Cost</b>			
Opening balance	65,127	1,843,421	1,908,548
Purchases in the year	-	28,685	28,685
Other increase	-	148,958	148,958
<b>Closing balance</b>	<b>65,127</b>	<b>2,021,064</b>	<b>2,086,191</b>
<b>Accumulated amortization</b>			
Opening balance	868	1,281,978	1,282,846
Charge for the year	-	216,528	216,528
<b>Closing balance</b>	<b>868</b>	<b>1,498,506</b>	<b>1,499,374</b>
<b>Net book value</b>			
At the beginning date	64,259	561,443	625,702
<b>At the closing date</b>	<b>64,259</b>	<b>522,558</b>	<b>586,817</b>

Cost of fully-depreciated intangible fixed assets which are still in active use as at 31 December 2024 is VND809,788 million (31 December 2023: VND688,966million).

16 **OTHER ASSETS**

16.1 *Receivables*

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
Internal receivables	281,942	218,912
External receivables	11,039,290	33,611,235
- <i>Receivables related to usance letters of credit</i>	4,895,385	28,000,136
- <i>Deposits and receivable for Government bond futures contract</i>	21,168	3,503
- <i>Deposits for economic contracts</i>	1,365,794	1,404,973
- <i>Receivables from sale of financial assets</i>	84,077	84,567
- <i>Receivables in settlement operation</i>	1,414,058	1,928,290
- <i>Advances to suppliers</i>	363,998	393,098
- <i>Provision for fees and compensation for the reinsurance operation</i>	518,012	384,160
- <i>Other external receivables</i>	2,376,798	1,412,508
Purchase of fixed assets	85,071	134,526
Construction in progress	5,017	4,768
	<b>11,411,320</b>	<b>33,969,441</b>

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

16. OTHER ASSETS (continued)

16.1 Receivables (continued)

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

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Current	4,891,526	-
Special mention	3,859	-
Loss	84,077	26,853
	<u>4,979,462</u>	<u>84,567</u>

16.2 Accrued interest and fee receivables

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Interest receivables from deposits	52,297	29,858
Interest receivables from investment securities	1,024,712	1,675,475
Interest receivables from credit activities	6,051,730	5,071,637
Interest receivable from debt trading	-	1,682
Interest receivables from derivative instruments	885,722	1,070,899
Other fee receivables	369,608	1,126,677
	<u>8,384,069</u>	<u>8,976,228</u>

16.3 Other assets

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Materials	11,637	15,566
Prepaid expenses	5,901,310	6,632,078
Assets in substitution for obligation performance of securers who has transferred the ownership to the Bank	593,478	588,232
- <i>In which: Real estates</i>	593,478	588,232
Goodwill (Note 17)	41,310	118,507
	<u>6,547,735</u>	<u>7,354,383</u>

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

16. OTHER ASSETS (continued)

16.4 Provision for other assets

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

	<i>For the year ended 31 December 2024</i>	<i>For the year ended 31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Opening balance	152,256	79,676
Provision charged in the year	110,790	72,580
<i>In which:</i>		
<i>Provision charged for other credit risk     bearing assets (Note 36)</i>	73,493	46,862
<i>Provision charged for doubtful debts (Note     35)</i>	37,297	25,718
Closing balance	<u>263,046</u>	<u>152,256</u>

Details of provision for other assets are as follows:

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Provision for credit risks bearing assets	120,892	47,399
- <i>General provision</i>	36,756	433
- <i>Specific provision</i>	84,136	46,966
Provision for doubtful debts	142,154	104,857
	<u>263,046</u>	<u>152,256</u>

For the year ended 31 December 2024 and the year ended 31 December 2023, the Bank had no amount of uncollectible debts written off.

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

17. GOODWILL

	<i>For the year ended 31 December 2024 VND million</i>	<i>For the year ended 31 December 2023 VND million</i>
Total value of goodwill	231,167	231,167
Amortized period (years)	3	3
Value of accumulated amortized goodwill at the beginning of the year	112,660	35,675
Value of unamortized goodwill at the beginning of the year	118,507	195,492
Decrease in goodwill during the year	77,197	76,985
Goodwill amortized during the year	77,197	76,985
Total value of unamortized goodwill at the end of the year (Note 16.3)	<u>41,310</u>	<u>118,507</u>

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

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
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
In VND	2,353	1,000
	<u>5,713</u>	<u>4,118,311</u>

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

**19. DEPOSITS AND BORROWINGS FROM FINANCIAL INSTITUTIONS AND OTHER CREDIT INSTITUTIONS**

**19.1 Deposits from other credit institutions**

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Demand deposits	6,936,034	6,917,556
In VND	6,936,020	6,917,543
In foreign currencies	14	13
Term deposits	104,927,175	76,317,200
In VND	96,030,000	72,450,000
In foreign currencies	8,897,175	3,867,200
	<u>111,863,209</u>	<u>83,234,756</u>

**19.2 Borrowings from financial institutions and other credit institutions**

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Payables arising from usance letters of credit	16,219,307	25,371,494
Borrowings from financial institutions and other credit institutions	73,673,905	47,750,401
In VND	13,650,923	4,304,954
- In which: pledge, mortgage loan	3,741,200	1,394,205
In foreign currencies	60,022,982	43,445,447
- In which: borrowed from International Financial Company ("IFC")	2,723,298	4,746,837
	<u>89,893,212</u>	<u>73,121,895</u>

Analysis of borrowings from financial institutions and other credit institutions by original maturity:

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Up to 6 months	17,347,610	5,032,482
From over 6 months to 12 months	13,760,492	8,497,107
From over 12 months to 5 years	34,935,087	34,201,079
Over 5 years	7,630,716	19,733
	<u>73,673,905</u>	<u>47,750,401</u>

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

## 20. CUSTOMER DEPOSITS

	31 December 2024 VND million	31 December 2023 VND million
Demand deposits	66,607,350	75,333,245
- In VND	64,688,301	73,081,876
- In foreign currencies	1,919,049	2,251,369
Term deposits	416,946,018	365,220,955
- In VND	415,416,986	364,344,580
- 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
	<b>485,666,548</b>	<b>442,368,381</b>

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

	31 December 2024		31 December 2023	
	VND million	%	VND million	%
State-owned companies	804,266	0.17	631,891	0.14
One-member limited liability companies with 100% State ownership	1,075,326	0.22	1,799,529	0.41
Two or more 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	35,493,332	7.31	38,222,990	8.64
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	133,468,473	27.48	103,374,399	23.37
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	62.42	292,614,183	66.15
Operation administration entity, the Party, unions and associations	3,934,831	0.81	2,405,140	0.54
Others	375,394	0.07	733,031	0.17
	<b>485,666,548</b>	<b>100</b>	<b>442,368,381</b>	<b>100</b>

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

**21. OTHER BORROWED AND ENTRUSTED FUNDS**

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

**22. VALUABLE PAPERS ISSUED**

Valuable papers issued by original term are as follows:

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Under 12 months	53,256,694	20,082,475
From 12 months up to 5 years	12,723,428	26,711,509
From 5 years and above	995,582	993,328
	<u>66,975,704</u>	<u>47,787,312</u>

Types of valuable papers issued are as follows:

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Certificates of deposit to retail customers	-	4,799,409
Certificates of deposit to corporate customers	62,016,478	29,916,339
Bonds	4,959,226	13,071,564
	<u>66,975,704</u>	<u>47,787,312</u>

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

23. OTHER LIABILITIES

23.1 Interest and fees payable

	31 December 2024 VND million	31 December 2023 VND million
Interest payables for customer term deposits	6,205,570	8,091,846
Interest payables for customer saving deposits	844,537	1,065,174
Interest payables for valuable papers issued	1,396,504	2,450,263
Interest payables for borrowings from financial institutions and other credit institutions	1,009,098	945,586
Interest payables for entrusted funds	7	21
Interest payables for derivative	950,357	1,253,292
Fee payables	7,755	6,103
	<u>10,415,008</u>	<u>13,812,285</u>

23.2 Other liabilities

	31 December 2024 VND million	31 December 2023 VND million
Internal payables	301,509	98,556
Payables to employees	301,509	98,556
External payables	11,386,004	13,142,152
Advances from customers	1,577,524	1,315,509
Unearned income	590,492	400,613
Technical reserves of insurance operation	1,457,317	1,016,439
Transfer payment awaiting settlement	458,403	291,057
Taxes payable to the State Budget (Note 24)	2,576,458	2,302,966
Payables in settlement operation	1,685,244	4,222,815
Payables to suppliers	34,364	44,371
Payables to lending customers	1,650	1,396,750
Other liabilities	3,004,552	2,151,632
	<u>11,687,513</u>	<u>13,240,708</u>

24. TAXES AND OTHER OBLIGATIONS TO THE STATE BUDGET

	Opening balance VND million	Movements in the year		Closing balance VND million
		Payables VND million	Paid VND million	
Value added tax	296,977	814,235	(995,592)	115,620
Corporate income tax	1,861,402	3,962,779	(3,503,868)	2,320,313
Other taxes	144,587	1,342,821	(1,346,883)	140,525
	<u>2,302,966</u>	<u>6,119,835</u>	<u>(5,846,343)</u>	<u>2,576,458</u>

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

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

**24.1 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 consolidated 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 consolidated statement of profit or 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 accounting year.

Provision for current income tax expense is estimated as follows:

	<i>For the year ended 31 December 2024</i>	<i>For the year ended 31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Profit before tax	20,012,700	10,803,896
Plus/(Minus):		
- Loss from subsidiaries	-	3,698,695
- Non-taxable income	(12,854)	(3,147)
- Non- deductible expenses	52,191	65,201
- Adjustment due to consolidation	(273,708)	330,262
- Other adjustments	(4,727)	-
<b>Estimated taxable income</b>	<b>19,773,602</b>	<b>14,894,907</b>
Income tax expense using prevailing tax rate	3,954,720	2,978,981
Adjustment of tax expenses in previous year	8,059	5,034
<b>Income tax expense for the year</b>	<b>3,962,779</b>	<b>2,984,015</b>
<b>Income tax payable incurred in the year</b>	<b>3,962,779</b>	<b>2,984,015</b>
Income tax payable at the beginning of the year	1,861,402	2,960,226
Income tax paid in the year	(3,503,868)	(4,082,839)
<b>Current income tax payable at the end of the year</b>	<b>2,320,313</b>	<b>1,861,402</b>

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

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

**24.2 Deferred income tax**

Details of the Bank's deferred tax assets are as follows:

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Deferred corporate income tax asset related to unused loss	1,183,517	1,300,221
Deferred corporate income tax asset related to deductible temporary differences	12,319	8,153
Reversal of deferred corporate income tax asset	-	(10,650)
<b>Deferred corporate income tax asset</b>	<b>1,195,836</b>	<b>1,297,724</b>

Details of the Bank's deferred tax liabilities are as follows:

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Deferred corporate income tax liability related to taxable temporarily differences	26,517	74,154
Reversal of deferred corporate income tax liability	-	(8,844)
<b>Deferred corporate income tax liability</b>	<b>26,517</b>	<b>65,310</b>

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

25. OWNERS' EQUITY AND RESERVES

25.1 Statement of changes in equity

	Charter capital VND million	Share premium VND million	Capital supplementary reserve VND million	Financial reserve VND million	Investment and development fund VND million	Treasury share VND million	Retained earnings VND million	Non- controlling interest VND million	Total VND million
As at 1 January 2023	67,434,236	-	1,806,421	9,029,594	2,699,069	(883,466)	16,751,804	6,664,262	103,501,920
Net profit/(loss) for the year	-	-	-	-	-	-	9,973,939	(1,479,768)	8,494,171
Issuing shares for increasing capital (ii)	11,905,000	23,992,546	-	-	-	-	-	-	35,897,546
Appropriation to reserves	-	-	544,804	1,076,595	-	-	(1,621,399)	-	-
Used of reserves for the year	-	-	-	(292,890)	-	-	-	-	(292,890)
Transfer from Investment and development fund to Share premium	-	-	-	-	(2,049,041)	-	2,049,041	-	-
Transfer from Investment and development fund to Share premium	-	581,270	-	-	(581,270)	-	-	-	-
Issuing shares under ESOP from treasury shares (i)	-	(581,270)	-	-	-	883,466	-	-	302,196
Dividends to shareholders in 2022	-	-	-	-	-	-	(7,933,924)	-	(7,933,924)
Other movement	-	-	-	-	-	-	(153,492)	(20,000)	(173,492)
<b>As at 31 December 2023</b>	<b>79,339,236</b>	<b>23,992,546</b>	<b>2,351,225</b>	<b>9,813,299</b>	<b>68,758</b>	<b>-</b>	<b>19,065,969</b>	<b>5,164,494</b>	<b>139,795,527</b>
Net profit for the year	-	-	-	-	-	-	15,778,795	208,031	15,986,826
Appropriation to reserves	-	-	1,461,250	1,442,341	-	-	(2,903,591)	-	-
Used of reserves for the year	-	-	-	(571,259)	-	-	-	-	(571,259)
Dividends to shareholders in 2023	-	-	-	-	-	-	(7,935,832)	-	(7,935,832)
Other movement	-	-	-	-	-	-	2,238	(2,238)	-
<b>As at 31 December 2024</b>	<b>79,339,236</b>	<b>23,992,546</b>	<b>3,812,475</b>	<b>10,684,381</b>	<b>68,758</b>	<b>-</b>	<b>24,007,579</b>	<b>5,370,287</b>	<b>147,275,262</b>

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

25. OWNERS' EQUITY AND RESERVES (continued)

25.1 *Statement of changes in equity* (continued)

- (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 from owners' 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.

25.2 *Equity*

	31 December 2024		31 December 2023	
	Number Shares	Face value VND million	Number Shares	Face value VND million
Number of registered shares	7,933,923,601	79,339,236	7,933,923,601	79,339,236
Number of shares issued	7,933,923,601	79,339,236	7,933,923,601	79,339,236
- <i>Ordinary shares</i>	7,933,923,601	79,339,236	7,933,923,601	79,339,236
Number of shares in circulation	7,933,923,601	79,339,236	7,933,923,601	79,339,236
- <i>Ordinary shares</i>	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.

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

26. BASIC EARNINGS PER SHARE

	<i>For the year ended 31 December 2024</i>	<i>For the year ended 31 December 2023</i>
Net profit attributable to ordinary shareholders (VND million)	15,778,795	9,973,939
Weighted average number of ordinary shares for the year (shares)	7,933,923,601	6,958,838,203
Basic earnings per share (VND)	<u>1,989</u>	<u>1,433</u>

Profit attributed to ordinary shareholders is equal to the consolidated profit after tax contributed to the Bank minus (-) dividends on preference shares (if any).

At the end of the year, there are no events and situations to show diluted earnings per share for the year.

27. INTEREST AND SIMILAR INCOME

	<i>For the year ended 31 December 2024 VND million</i>	<i>For the year ended 31 December 2023 VND million</i>
Interest income from deposits	1,388,049	845,204
Interest income from loans to customers	72,024,111	67,655,529
Interest income from securities held for trading and investment securities	4,033,498	6,134,210
- <i>Interest income from securities held-for-trading</i>	765,184	694,160
- <i>Interest income from investment securities</i>	3,268,314	5,440,050
Income from guarantee activities	272,195	265,085
Interest income from debts purchased	93,528	120,037
Other income from credit activities	2,300,264	1,537,312
	<u>80,111,645</u>	<u>76,557,377</u>

28. INTEREST AND SIMILAR EXPENSES

	<i>For the year ended 31 December 2024 VND million</i>	<i>For the year ended 31 December 2023 VND million</i>
Interest expenses for deposits	21,300,529	26,071,508
Interest expenses for borrowings	5,503,601	5,513,344
Interest expenses for valuable papers issued	3,201,546	5,940,883
Other expenses for credit activities	1,025,562	856,966
	<u>31,031,238</u>	<u>38,382,701</u>

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

**29. NET FEE AND COMMISSION INCOME**

	<i>For the year ended 31 December 2024</i>	<i>For the year ended 31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Fee and commission income	13,201,660	12,307,787
Settlement and treasury services	1,384,181	3,109,866
Advisory activities	139,026	93,493
Income from business and insurance services	4,150,911	2,937,498
Other services	7,527,542	6,166,930
<b>Fee and commission expenses</b>	<b>(7,075,337)</b>	<b>(5,095,905)</b>
Settlement services and treasury services	(353,989)	(385,847)
Advisory activities	(73)	(4,164)
Insurance services	(1,035,286)	(279,617)
Brokerage fees	(447,900)	(253,324)
Other expenses	(5,238,089)	(4,172,953)
	<u>6,126,323</u>	<u>7,211,882</u>

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

	<i>For the year ended 31 December 2024</i>	<i>For the year ended 31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Income from trading of foreign currencies	4,745,156	4,351,790
Income from spot trading of foreign currencies	2,524,315	3,040,262
Income from gold trading	5,526	172
Income from trading of monetary derivatives	2,215,315	1,311,356
<b>Expenses for trading of foreign currencies</b>	<b>(3,917,916)</b>	<b>(5,157,763)</b>
Expenses for spot trading of foreign currencies	(892,360)	(1,108,687)
Expenses for gold trading	(8,534)	(15,976)
Expenses for trading of monetary derivatives	(3,017,022)	(4,033,100)
	<u>827,240</u>	<u>(805,973)</u>

**31. NET GAIN FROM SECURITIES HELD FOR TRADING**

	<i>For the year ended 31 December 2024</i>	<i>For the year ended 31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Income from trading of securities held for trading	680,929	535,368
Expenses for trading of securities held for trading	(330,688)	(131,922)
Provision (charged)/reversed for securities held for trading (Note 8.2)	10,715	(23,273)
	<u>360,956</u>	<u>380,173</u>

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

**32. NET GAIN FROM INVESTMENT SECURITIES**

	<i>For the year ended 31 December 2024</i>	<i>For the year ended 31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Income from trading of investment securities	415,080	328,218
Expenses for trading of investment securities	(96,353)	(112,545)
Provision reversed for Available-for-sale securities (Note 13.2)	142,915	42,384
Provision reversed for held-to-maturities securities (Note 13.5)	8,025	(8,025)
	<u>469,667</u>	<u>250,032</u>

**33. NET GAIN FROM OTHER OPERATING ACTIVITIES**

	<i>For the year ended 31 December 2024</i>	<i>For the year ended 31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
<b>Other operating income</b>	<b>9,559,809</b>	<b>7,774,012</b>
Income from other derivatives	3,583,521	3,641,446
Income from bad debt recoveries	5,574,886	2,495,093
Income from disposal of fixed assets	1,715	903
Income from disposal of other assets	34,283	15,586
Income from debt selling activities	188,732	1,517,577
Income from contracts breach penalty	12,317	1,629
Other income	164,355	101,778
<b>Other operating expenses</b>	<b>(4,182,147)</b>	<b>(3,248,461)</b>
Expenses for other derivatives	(3,835,275)	(2,864,611)
Expenses from disposal of fixed assets	(259)	(257)
Expenses from disposal of other assets	(27,576)	(9,704)
Other expenses	(319,037)	(373,889)
	<u>5,377,662</u>	<u>4,525,551</u>

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

## 34. OPERATING EXPENSES

	<i>For the year ended 31 December 2024 VND million</i>	<i>For the year ended 31 December 2023 VND million</i>
Dividend income	12,801	3,147
	<u>12,801</u>	<u>3,147</u>

## 35. OPERATING EXPENSES

	<i>For the year ended 31 December 2024 VND million</i>	<i>For the year ended 31 December 2023 VND million</i>
Tax, duties and fees	8,028	12,787
Personnel expenses	8,395,563	8,609,213
<i>In which:</i>		
Salary and allowances	7,616,117	7,837,017
Expenses related to salary	407,931	395,816
Subsidy	159,547	162,156
Other allowances	211,968	214,224
Fixed asset expenses	1,957,629	1,689,084
<i>In which:</i>		
Depreciation and amortization of fixed assets	511,641	437,800
Operating leases	924,119	812,756
Administrative expenses	1,325,488	1,262,910
<i>In which:</i>		
Expenses on per diem	35,153	34,862
Expenses on Credit Institutions' mass activities	486	220
Other provision charged	37,297	25,718
Provision charged for doubtful debts (Note 16.4)	37,297	25,718
Insurance fee for customer deposits	431,141	301,649
Other operating expenses	2,184,586	2,039,857
	<u>14,339,732</u>	<u>13,941,218</u>

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

36. PROVISION EXPENSE FOR CREDIT LOSSES

	<i>For the year ended 31 December 2024 VND million</i>	<i>For the year ended 31 December 2023 VND million</i>
Provision expense for loans to customers (Note 11)	27,796,974	24,896,613
Provision expense for margin activities and advances to VPBankS customers (Note 11)	32,323	51,439
Provision reversed for debt purchased (Note 12)	(166)	(540)
Provision expense for other credit risk assets (Note 16.4)	73,493	46,862
	<u>27,902,624</u>	<u>24,994,374</u>

37. CASH AND CASH EQUIVALENTS

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

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
Cash and cash equivalents on hand	2,148,289	2,284,990
Balances with the SBV	14,327,215	8,422,511
Demand accounts at other credit institutions	11,216,445	9,627,143
Placements with other credit institutions with original term of three months or less	115,310,835	71,671,930
Securities with maturity date not exceed three months from purchasing date	-	1,660,896
	<u>143,002,784</u>	<u>93,667,470</u>

38. EMPLOYEES' REMUNERATIONS

	<i>For the year ended 31 December 2024 VND million</i>	<i>For the year ended 31 December 2023 VND million</i>
I. Total average number of employees (persons) (only official employees)	26,199	27,042
II. Employees' remuneration (VND million)		
1. Total salary	7,416,358	7,615,260
2. Other remuneration	979,205	387,378
3. Total remuneration (1+2)	<u>8,395,563</u>	<u>8,002,638</u>
4. Average monthly salary	<u>23.59</u>	<u>23.47</u>
5. Average monthly remuneration	<u>26.70</u>	<u>24.66</u>

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

### 39. COLLATERAL AND MORTGAGES

#### 39.1 *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	632,241,476	616,667,767
Movable assets	93,763,257	82,757,721
Valuable papers	46,213,845	79,409,408
Others	1,136,124,694	872,798,273
	<b>1,908,343,272</b>	<b>1,651,633,169</b>

Assets, valuable papers pledged, mortgaged and discounted taken from other credit institutions as at the end of 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	-

#### 39.2 *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 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 8.1 and Note 13.1)	5,686,000	4,895,000
Valuable papers sold under agreements to repurchase (Note 13.1)	2,000,000	5,000,000
Other assets for mortgage, pledge and discount, rediscount	5,958,923	10,639,910
	<b>13,644,923</b>	<b>20,534,910</b>

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

#### 40. 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	298,220,810	296,858,798
- Foreign currency purchase commitments	2,972,620	264,965
- Foreign currency sale commitments	1,955,905	992,663
- Swap transaction commitment - receive	146,921,567	147,839,284
- Swap transaction commitment - pay	146,370,718	147,761,886
Letters of credit	16,461,049	38,680,116
Letters of credit	16,518,381	38,826,301
- Less: 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	470,492	371,974
- Other guarantees commitment	9,932,865	8,370,870
- Minus: Margin deposits commitment	(671,675)	(403,828)
Other commitments	347,434,640	285,115,836
- Cross-currency interest rate swap commitment - receive	35,324,065	26,662,517
- Cross-currency interest rate swap commitment - pay	36,760,922	27,153,623
- 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	229,654,799	205,959,539
- In which: Unused revocable credit limits	229,511,446	205,810,854
	<b>688,973,447</b>	<b>641,955,933</b>
<b>41. OTHER OFF-BALANCE-SHEET ITEMS</b>		
<b>41.1 Uncollected interests and fee receivables</b>		
	31 December 2024 VND million	31 December 2023 VND million
Uncollected loan interest	7,163,528	7,854,292
Uncollected security interest	122,176	40,252
Uncollected fee receivables	382,479	317,263
	<b>7,668,183</b>	<b>8,211,807</b>
<b>41.2 Bad debts written off</b>		
	31 December 2024 VND million	31 December 2023 VND million
Principal of bad debt written off under monitoring	44,140,435	27,104,854
Interest of bad debt written off under monitoring	38,046,965	23,995,273
	<b>82,187,400</b>	<b>51,100,127</b>

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

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

41.3 Other assets and documents

	31 December 2024	31 December 2023
	VND million	VND million
Other assets kept nominally	91,013,942	36,177,136
Assets under operating lease (*)	-	-
Foreclosed assets	34,845	-
Other valuable documents in custody	31,878,003	54,918,718
	<u>122,926,790</u>	<u>91,095,854</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.

42. 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.

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

42. RELATED PARTY TRANSACTIONS (continued)

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

	Revenue/(Expense)	
	<i>For the year ended</i>	<i>For the year ended</i>
	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
<i>Members of Board of Directors, Board of Supervision and Board of Management</i>		
Interest expenses for deposits	(6,977)	(22,548)

Receivables and payables with related parties as at reporting date are as follows:

	Receivables/(Payables)	
	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
<i>Members of Board of Directors, Board of Supervision and Board of Management</i>		
Deposits at the Bank	(93,426)	(194,907)

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

	Title	<i>For the year ended</i>	<i>For the year ended</i>
		<i>31 December 2024</i>	<i>31 December 2023</i>
		<i>VND million</i>	<i>VND million</i>
<i>Member of the Board of Directors</i>			
Remuneration			
Mr. Ngo Chi Dung	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>Members of the Board of Supervision</i>			
Remuneration, salary and allowances	Board of Supervision	(6,429)	(6,010)
<i>Chief Executive Officer and members of the Board of Management</i>			
Salary and allowances	Board of Management	(63,431)	(57,428)

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

42. RELATED PARTY TRANSACTIONS (continued)

Significant transactions of SMBC major shareholder in the year are as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>Value</i>	
		<i>For the year ended 31 December 2024</i>	<i>For the year ended 31 December 2023</i>
		<i>VND million</i>	<i>VND million</i>
SMBC - major shareholder	Interest income from deposits at the major shareholder	19,233	3,657
	Gain from derivative contracts	1,446,986	226,184
	Loss from derivative contracts	(1,305,968)	(239,022)
	Other expenses	(197,932)	(26,360)
	Interest income from deposits at SMBC	(753,180)	(145,607)

Receivable and payables with related parties as at 31 December 2024 and 31 December 2023 are as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>Receivables/(Payables)</i>	
		<i>31 December 2024</i>	<i>31 December 2023</i>
		<i>VND million</i>	<i>VND million</i>
SMBC - major shareholder	Borrowing from SMBC	(7,405,187)	(11,894,724)
	Accumulated loan interest	(93,761)	(53,140)
	Accrued interest receivable from derivative contracts	216,238	368,650
	Accrued interest payable for derivative contracts	(234,296)	(241,710)
	Prepaid expenses	169,843	148,867
	Deposits at SMBC	173,687	175,091
	Deposits from SMBC	(408)	(597)

The detailed value of derivative contracts and foreign currency purchases is as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>31 December 2024</i>	<i>31 December 2023</i>
		<i>VND million</i>	<i>VND million</i>
SMBC - major shareholder		29,284,052	28,541,180

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 the year then ended.

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

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

Concentration of counterparties of the Bank by geographical regions as at the end of the year are as follows:

	<i>Domestic</i> <i>VND million</i>	<i>Foreign</i> <i>VND million</i>	<i>Total</i> <i>VND million</i>
Loans to customers, debt purchased and credit granting to other credit institutions	701,797,987	2	701,797,989
Total fund mobilization	693,988,613	60,426,667	754,415,280
Credit commitments and other guarantees	43,317,997	71,404	43,317,997
Derivative instruments	303,663	(275,606)	28,057
Securities held for trading and investment securities	66,031,076	-	66,031,076

**44. 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.

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

#### 44. FINANCIAL RISK MANAGEMENT POLICIES (continued)

##### 44.1 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 consolidated 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.

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

44. FINANCIAL RISK MANAGEMENT POLICIES (continued)

44.1 Credit risk (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 consolidated statement of financial position, are listed below:

	<i>Not past due</i>	<i>Past due but not impaired</i>	<i>Past due and individually impaired</i>	<i>Total</i>
	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>
Placements with and credit granting to other credit institutions	134,643,662	-	-	134,643,662
- Placements with other credit institutions	126,527,280	-	-	126,527,280
- Credit granting to other credit institutions	8,116,382	-	-	8,116,382
Securities held for trading	13,180,721	-	-	13,180,721
Loans to customers and debts purchased	621,092,242	10,524,267	62,065,098	693,681,607
Investment securities	50,794,355	2,056,000	-	52,850,355
Other assets	27,194,218	6,132	338,610	27,538,960
<b>Total</b>	<b>846,905,198</b>	<b>12,586,399</b>	<b>62,403,708</b>	<b>921,895,305</b>

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.

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

**44. FINANCIAL RISK MANAGEMENT POLICIES (continued)**

**44.2 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 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 repricing term of interest rate between assets and liabilities. All credit activities, funding mobilization activities, investment activities of the Bank create interest rate risk.

Assets, liabilities and off-balance sheet items are classified into the interest rate repricing time bucket based on the state of "interest rate sensitive".

The interest rate repricing term is calculated based on remaining time until contractual maturities if items have a fixed interest or based on remaining time until the nearest repricing date if the item have a floating interest rate.

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

**44. FINANCIAL RISK MANAGEMENT POLICIES (continued)**

**44.2 Market risk (continued)**

**(a) Interest Rate Risk (continued)**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 44. FINANCIAL RISK MANAGEMENT POLICIES (continued)

## 44.2 Market risks (continued)

## (a) Interest rate risk

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	
<b>Assets</b>									
Cash, gold and gemstones	-	2,148,289	-	-	-	-	-	-	2,148,289
Balances with the State Bank of Vietnam	-	13,733,896	593,319	-	-	-	-	-	14,327,215
Placements with and credit granting to other CIs - gross	-	-	129,374,659	3,102,331	1,965,854	200,818	-	-	134,643,662
Securities held for trading - gross	-	-	12,540,897	639,824	-	-	-	-	13,180,721
Loan to customers and debts purchased - gross	26,750,477	-	319,464,033	160,174,045	72,217,916	86,620,436	28,086,800	367,900	693,681,607
Investment securities - gross	720,000	1,008,284	7,126,579	6,115,449	2,558,026	931,919	8,449,072	25,941,026	52,850,355
Long-term investments - gross	-	189,210	-	-	-	-	-	-	189,210
Fixed assets	-	2,023,761	-	-	-	-	-	138	2,023,899
Other assets - gross	344,742	26,920,927	21,999	167,979	8,397	74,916	-	-	27,538,960
<b>Total assets</b>	<b>27,815,219</b>	<b>46,024,367</b>	<b>469,121,486</b>	<b>170,199,628</b>	<b>76,750,193</b>	<b>87,828,089</b>	<b>36,535,872</b>	<b>26,309,064</b>	<b>940,583,918</b>
<b>Liabilities</b>									
Amounts due to the Government and the SBV	-	-	5,713	-	-	-	-	-	5,713
Deposits and borrowings from financial institutions and other credit institutions	-	-	127,424,754	27,290,448	34,537,552	12,503,667	-	-	201,756,421
Customer deposits	-	-	158,120,712	123,077,340	126,492,432	68,302,761	9,672,471	832	485,666,548
Derivatives and other financial liabilities	-	-	11,306,700	295,652	(300,447)	(3,186,288)	(8,087,560)	-	28,057
Other borrowed and entrusted funds	-	-	-	10,894	-	-	-	-	10,894
Valuable papers issued	-	-	4,537,938	8,321,767	21,442,097	27,628,796	5,045,106	-	66,975,704
Other liabilities	-	22,114,137	4,088	6,824	3,989	-	-	-	22,129,038
<b>Total liabilities</b>	<b>-</b>	<b>22,114,137</b>	<b>301,399,905</b>	<b>159,002,925</b>	<b>182,175,623</b>	<b>105,248,936</b>	<b>6,630,017</b>	<b>832</b>	<b>776,572,375</b>
Interest sensitivity gap (balance sheet)	27,815,219	23,910,230	167,721,581	11,196,703	(105,425,430)	(17,420,847)	29,905,855	26,308,232	164,011,543
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)	27,815,219	23,910,230	178,609,814	9,282,673	(104,621,943)	(19,787,596)	21,688,678	26,308,232	163,205,307

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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44. FINANCIAL RISK MANAGEMENT POLICIES (continued)

44.2 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 or 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 49*.

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

44. FINANCIAL RISK MANAGEMENT POLICIES (continued)

44.2 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:

	<i>EUR equivalent</i> <i>VND million</i>	<i>USD equivalent</i> <i>VND million</i>	<i>Gold equivalent</i> <i>VND million</i>	<i>Other currencies</i> <i>equivalent</i> <i>VND million</i>	<i>Total</i> <i>VND million</i>
<b>Assets</b>					
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	124,832	23,193,368	-	227,993	23,546,193
Loan to customers and debts purchased - gross	64,286	10,826,830	-	-	10,891,116
Other assets - gross	1,191	1,288,933	-	4,242	1,294,366
<b>Total assets</b>	<b>215,830</b>	<b>35,678,824</b>	<b>28,388</b>	<b>274,387</b>	<b>36,197,429</b>
<b>Liabilities</b>					
Deposits and borrowings from the Government and the SBV, financial institutions and other credit institutions	64,283	72,101,678	-	-	72,165,961
Customer deposits	118,448	3,366,530	-	141,547	3,626,525
Derivatives and other financial liabilities	66,471	(41,853,927)	-	74,725	(41,712,731)
Other liabilities	2,686	1,800,201	-	98,851	1,901,738
<b>Total liabilities</b>	<b>251,888</b>	<b>35,414,482</b>	<b>-</b>	<b>315,123</b>	<b>35,981,493</b>
<b>FX position on balance sheet</b>	<b>(36,058)</b>	<b>264,342</b>	<b>28,388</b>	<b>(40,736)</b>	<b>215,936</b>
<b>FX position off-balance sheet</b>	<b>1,328</b>	<b>1,027,270</b>	<b>-</b>	<b>(11,883)</b>	<b>1,016,715</b>
<b>Net on, off-balance sheet FX position</b>	<b>(34,730)</b>	<b>1,291,612</b>	<b>28,388</b>	<b>(52,619)</b>	<b>1,232,651</b>

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

44. FINANCIAL RISK MANAGEMENT POLICIES (continued)

44.2 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 three Divisions including Asset-Liability Management, Risk Management and Financial Market. In particular, Financial Market Division plays a leading role in management of short-term liquidity, and Asset-Liability Management Division plays a leading role in management of long-term 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.

The maturity term of assets and liabilities represents the remaining tenor from the report date of the separate financial statements to the contractual maturity date of assets and liabilities.

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

44. FINANCIAL RISK MANAGEMENT POLICIES (continued)

44.2 Market risk (continued)

(c) Liquidity risk (continued)

The following assumptions and conditions are applied in maturity analysis of assets and liabilities of the Bank.

- ▶ Balance with the SBV are classified as demand deposits with remaining maturity of up to one month which include SBV reserve. The balance of SBV reserve depends on the proportion and terms of the Bank's deposits from customers;
- ▶ The remaining maturity of held-for-trading securities is considered into up to one month bucket as these securities are held in the short term with trading purpose;
- ▶ The remaining term of investment securities is calculated based on maturity date of these securities. In particular, government and government – guaranteed bonds although classified as long-term according to the remaining maturity, are liquid assets on the market and shall be converted into cash within a short time period;
- ▶ The remaining maturity of placement at and loans to other FIs, and loans to customers is determined based on maturity date of the contract. Actual maturity date may change due to loans contracts being extended/prepaid;
- ▶ The remaining maturity of equity investment is considered as more than five (5) years because these investments do not have specific maturity date;
- ▶ The remaining maturity of placements and borrowings from other FIs, deposits from customers, due to the Government and the SBV and other assets are determined based on nature of these items or the maturity date stipulated on the contract. Demand deposits are transacted as required by customers and therefore being classified as non-term deposits. Maturity of loans and term deposits are determined based on the contractual maturity date. In practice, these items may be rolled over and therefore last for longer period than the original maturity date;
- ▶ 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 44. FINANCIAL RISK MANAGEMENT POLICIES (continued)

## 44.2 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					Over 5 years VND million	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			
<b>Assets</b>									
Cash, gold and gemstones	-	-	2,148,289	-	-	-	-	2,148,289	
Balances with the State Bank of Vietnam	-	-	14,327,215	-	-	-	-	14,327,215	
Placements with and credit granting to other credit institutions - gross	-	-	129,374,660	3,102,331	2,166,671	-	-	134,643,662	
Securities held for trading - gross	-	-	12,540,897	639,824	-	-	-	13,180,721	
Loan to customers and debts purchased - gross	15,635,721	11,114,756	85,718,091	69,251,974	208,823,421	209,594,915	93,542,729	693,681,607	
Investment securities - gross	720,000	-	4,987,935	3,640,307	2,937,830	14,591,338	25,972,945	52,850,355	
Long-term investments - gross	-	-	-	-	-	-	189,210	189,210	
Fixed assets	-	-	1	9	178	29,098	1,994,613	2,023,899	
Other assets - gross	343,734	1,008	21,574,725	667,853	4,651,573	89,464	210,603	27,538,960	
<b>Total assets</b>	<b>16,699,455</b>	<b>11,115,764</b>	<b>270,671,813</b>	<b>77,302,298</b>	<b>218,579,673</b>	<b>224,304,815</b>	<b>121,910,100</b>	<b>940,583,918</b>	
<b>Liabilities</b>									
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	-	-	108,903,633	19,660,134	49,202,724	21,702,085	2,287,845	201,756,421	
Customer deposits	-	-	158,120,711	123,077,340	194,795,194	9,672,471	832	485,666,548	
Derivatives and other financial liabilities	-	-	(94,395)	(107,898)	(153,471)	383,821	-	28,057	
Other borrowed and entrusted funds	-	-	-	1,701	3,671	5,522	-	10,894	
Valuable papers issued	-	-	4,537,938	8,321,767	49,070,893	5,045,106	-	66,975,704	
Other liabilities	-	-	21,510,014	339,878	278,120	1,026	-	22,129,038	
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>292,980,296</b>	<b>151,295,103</b>	<b>293,198,268</b>	<b>36,810,031</b>	<b>2,288,677</b>	<b>776,572,375</b>	
<b>Net liquidity gap</b>	<b>16,699,455</b>	<b>11,115,764</b>	<b>(22,308,483)</b>	<b>(73,992,805)</b>	<b>(74,618,595)</b>	<b>187,494,784</b>	<b>119,621,423</b>	<b>164,011,543</b>	

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

**44. FINANCIAL RISK MANAGEMENT POLICIES (continued)**

**44.2 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.

**45. 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 consolidated 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 consolidated 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.

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

**45 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

Financial assets (continued)

▶ *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.

▶ *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 or 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.

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

45. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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

45. 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					Total VND million	Fair value VND million
	Financial assets at fair value through profit and loss VND million	Held-to- maturity VND million	Loans and receivables VND million	Available-for- sale VND million	Other assets and liabilities recorded at amortized cost VND million		
Cash, gold and gemstones	-	-	2,148,289	-	-	2,148,289	2,148,289
Balances with the State Bank of Vietnam	-	-	14,327,215	-	-	14,327,215	(*)
Placements with and credit granting to other credit institutions - gross	-	-	134,643,662	-	-	134,643,662	(*)
Securities held for trading - gross	13,180,721	-	-	-	-	13,180,721	(*)
Loan to customers and debts purchased - gross	-	-	693,681,607	-	-	693,681,607	(*)
Available-for-sale securities - gross	-	-	-	51,857,428	-	51,857,428	(*)
Long-term investments - gross	-	-	-	189,210	-	189,210	(*)
Other assets - gross	885,722	-	16,935,391	1,024,712	-	18,845,825	(*)
	<u>14,066,443</u>	<u>992,927</u>	<u>861,736,164</u>	<u>53,071,350</u>	-	<u>929,866,884</u>	
Amounts due to the Government and the SBV	-	-	-	-	5,713	5,713	(*)
Deposits and borrowings from financial institutions and other credit institutions	-	-	-	-	201,756,421	201,756,421	(*)
Customer deposits	-	-	-	-	485,666,548	485,666,548	(*)
Derivatives and other financial liabilities	28,057	-	-	-	-	28,057	(*)
Other borrowed and entrusted funds	-	-	-	-	10,894	10,894	(*)
Valuable papers issued	-	-	-	-	66,975,704	66,975,704	(*)
Other liabilities	950,357	-	-	-	16,191,300	17,141,657	(*)
	<u>978,414</u>	-	-	-	<u>770,606,580</u>	<u>771,584,994</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 CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

#### 4.6 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.

##### 46.1 *The primary segment information by business segment*

For management purpose, the Bank and its subsidiaries have established their operation in the following business segments:

Banking and credit granting	Provide the following products and services to customers: - Mobilizing deposits; - Providing credit; - Wire transfer, settlement services; and - Other banking operations.
Finance company	Consumer finance and other financial activities
Asset and liabilities management	Asset and liabilities management.
Securities	Securities activities
Insurance	Non-life insurance business

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

## 46. SEGMENT INFORMATION (continued)

## 46.1 The primary segment information by business segment (continued)

Primary segment information by business segment as at 31 December 2024 and for the year then ended are as follows:

	<i>Banking</i> <i>VND million</i>	<i>Finance company</i> <i>VND million</i>	<i>Asset and liabilities</i> <i>management</i> <i>VND million</i>	<i>Securities</i> <i>VND million</i>	<i>Insurance</i> <i>VND million</i>	<i>Eliminations</i> <i>VND million</i>	<i>Total</i> <i>VND million</i>
<b>I. Income</b>							
Interest and similar income	64,925,605	14,365,121	1,273	1,572,666	158,823	(911,843)	80,111,645
Net fee and commission	3,900,513	1,655,886	-	239,252	399,849	(69,177)	6,126,323
Net other operating income	4,058,727	3,015,635	(564)	236,783	9,599	(271,854)	7,048,326
	<u>72,884,845</u>	<u>19,036,642</u>	<u>709</u>	<u>2,048,701</u>	<u>568,271</u>	<u>(1,252,874)</u>	<u>93,286,294</u>
<b>II. Expenses</b>							
Interest and similar expenses	(28,591,905)	(3,194,396)	-	(333,377)	-	1,088,440	(31,031,238)
Depreciation and amortization charges	(407,687)	(91,217)	-	(8,237)	(4,500)	-	(511,641)
Other direct operating expense	(9,204,823)	(3,825,662)	(419)	(429,653)	(90,739)	(276,795)	(13,828,091)
	<u>(38,204,415)</u>	<u>(7,111,275)</u>	<u>(419)</u>	<u>(771,267)</u>	<u>(95,239)</u>	<u>811,645</u>	<u>(45,370,970)</u>
Net profit before provision for credit losses	34,680,430	11,925,367	290	1,277,434	473,032	(441,229)	47,915,324
Provision expense for credit losses	(16,420,177)	(11,413,417)	-	(57,736)	-	(11,294)	(27,902,624)
Segmental profit before tax	<u>18,260,253</u>	<u>511,950</u>	<u>290</u>	<u>1,219,698</u>	<u>473,032</u>	<u>(452,523)</u>	<u>20,012,700</u>
<b>III. Total assets</b>							
Cash, gold and gemstones	2,148,289	-	-	-	-	-	2,148,289
Fixed assets	1,693,650	244,335	-	29,286	56,490	138	2,023,899
Other assets	875,993,877	67,403,936	142,005	26,684,640	4,788,486	(55,337,495)	919,675,449
	<u>879,835,816</u>	<u>67,648,271</u>	<u>142,005</u>	<u>26,713,926</u>	<u>4,844,976</u>	<u>(55,337,357)</u>	<u>923,847,637</u>
<b>IV. Total liabilities</b>							
External liabilities to customers	732,310,092	55,262,911	162	9,154,638	-	(31,842,941)	764,884,862
Other internal liabilities	71,589	188,410	500	37,568	3,442	-	301,509
Other liabilities	7,165,358	1,515,559	553	117,963	3,338,299	(751,728)	11,386,004
	<u>739,547,039</u>	<u>56,966,880</u>	<u>1,215</u>	<u>9,310,169</u>	<u>3,341,741</u>	<u>(32,594,669)</u>	<u>776,572,375</u>

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

46. SEGMENT INFORMATION (continued)

46.1 *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.

47. CHANGE IN NET PROFIT AFTER TAX

The consolidated profit after tax for the quarter IV of 2024 of the Bank increased by VND3,074,979 million compared to the consolidated profit after tax for the quarter IV of 2023, equivalent to 156,52% increase due to the following reasons:

	<i>VND million</i>
Profit increase due to increase in interest and similar income	2,151,161
Profit decrease due to decrease in net fee and commission income	(455,235)
Profit increase due to increase in net gain from trading of foreign currencies	417,950
Profit increase due to increase in net gain from securities held for trading	188,768
Profit increase due to increase in net gain from investment securities	48,562
Profit increase due to increase in net gain from other operating activities	1,946,347
Profit increase due to increase in income from investments in other entities	9,654
Profit decrease due to increase in operating expenses	(146,214)
Profit decrease due to increase in provision for credit losses	(534,129)
Change in profit before tax	<u>3,626,864</u>
Change in corporate income tax	<u>(551,885)</u>
Change in profit after tax	<u><u>3,074,979</u></u>

48. EVENTS AFTER THE CONSOLIDATED 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 consolidated financial statements.

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

**49. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VND AT THE YEAR**

	31 December 2024 VND	31 December 2023 VND
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

Prepared by:

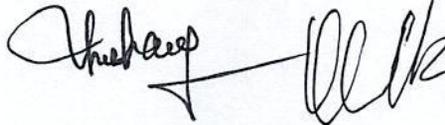


Ms. Pham Minh Thu  
Head of General  
Accounting and  
Accounting policy  
Department

Hanoi, Vietnam

22-01-2025

Reviewed by:



Ms. Nguyen Thi Thu Hang  
Chief Accountant

Ms. Le Hoang Khanh An  
Chief Financial Officer



Approved by:

Mr. Nguyễn Đức Vinh  
Chief Executive Officer