

**FORTUNE VIETNAM JOINT STOCK COMMERCIAL BANK**  
(Formerly known as "LIEN VIET JOINT STOCK COMMERCIAL BANK")  
*(Incorporated in the Socialist Republic of Vietnam)*

## **AUDITED FINANCIAL STATEMENTS**

**For the year ended 31 December 2024**

In accordance with Vietnamese Accounting Standards,  
accounting regime applicable to credit institutions in Vietnam  
and legal regulations relating to financial reporting

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### STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Fortune Vietnam Joint Stock Commercial Bank (the "Bank") presents this report together with the Bank's financial statements for the year ended 31 December 2024.

The members of the Board of Directors, Board of Supervisors, Board of Management of the Bank during the year and to the date of this report were as follows:

#### **Board of Directors**

|                     |  |
|---------------------|--|
| Mr. Nguyen Duc Thuy | Chairman   |
| Mr. Ho Nam Tien     | Standing Vice Chairman (From 04 October 2024)<br>Vice Chairman (Until 04 October 2024)   |
| Mr. Pham Phu Khoi   | Vice Chairman (From 07 February 2025)<br>Independent Member (From 16 November 2024)  |
| Mr. Le Minh Tam     | Independent Member (Until 16 November 2024)<br>Standing Vice Chairman (From 11 June 2024 to 04 October 2024)<br>Vice Chairman (From 27 May 2024 to 11 June 2024) |
| Mr. Nguyen Van Thuy | Vice Chairman (From 11 June 2024)<br>Standing Vice Chairman (Until 11 June 2024)   |
| Mr. Bui Thai Ha     | Vice Chairman  |
| Mr. Huynh Ngoc Huy  | Member   |
| Mr. Le Hong Phong   | Member (Until 16 November 2024)  |
| Ms. Vuong Thi Huyen | Independent Member (From 16 November 2024)   |

#### **Board of Supervisors**

|                        |                                     |
|------------------------|-------------------------------------|
| Ms. Duong Hoai Lien    | Head of Board of Supervisors        |
| Mr. Tran Thanh Tung    | Deputy Head of Board of Supervisors |
| Ms. Nguyen Thi Lan Anh | Member                              |
| Mr. Nguyen Phu Minh    | Member (Until 17 April 2024)        |



**FORTUNE VIETNAM JOINT STOCK COMMERCIAL BANK**

LPB Tower, No. 210 Tran Quang Khai Street

Trang Tien Ward, Hoan Kiem District

Hanoi, Vietnam

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**STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**

**Board of Management and Chief Accountant**

|                       |  |
|-----------------------|--|
| Mr. Vu Quoc Khanh     | Chief Executive Officer (From 25 February 2025)<br>Acting Chief Executive Officer<br>(From 04 October 2024 to 25 February 2025)<br>Standing Deputy Chief Executive Officer (Until 04 October 2024) |
| Mr. Ho Nam Tien       | Chief Executive Officer (Until 04 October 2024)  |
| Ms. Nguyen Anh Van    | Deputy Chief Executive Officer   |
| Mr. Doan Nguyen Ngoc  | Deputy Chief Executive Officer   |
| Ms. Vu Nam Huong      | Deputy Chief Executive Officer (From 20 March 2024)  |
| Mr. Dang Cong Hoan    | Deputy Chief Executive Officer (From 16 December 2024)   |
| Mr. Luu Danh Duc      | Deputy Chief Executive Officer (From 26 December 2024)   |
| Mr. Hoang Van Phuc    | Deputy Chief Executive Officer (Until 10 January 2025)   |
| Ms. Nguyen Thi Gam    | Chief Accountant (Until 31 December 2024)<br>Deputy Chief Executive Officer (Until 30 August 2024)   |
| Mr. Le Anh Tung       | Deputy Chief Executive Officer (Until 30 August 2024)  |
| Ms. Le Thi Thanh Nga  | Deputy Chief Executive Officer (Until 31 May 2024)   |
| Mr. Nguyen Thanh Tung | Deputy Chief Executive Officer (Until 31 May 2024)   |
| Ms. Vu Thu Hien       | Deputy Chief Executive Officer (Until 06 February 2024)  |
| Ms. Nguyen Thi Vui    | Member of Board of Management (From 12 June 2024)<br>Deputy Chief Executive Officer (Until 12 June 2024)   |
| Mr. Tran Duc Dong     | Member of Board of Management (From 16 December 2024)  |
| Mr. Ngo Duc Thang     | Member of Board of Management (From 16 December 2024)  |
| Ms. Nguyen Hong Nhung | Member of Board of Management (From 16 December 2024)  |
| Mr. Nguyen Hoang Hai  | Member of Board of Management (From 07 January 2025)   |
| Mr. Nguyen Tien Cong  | Chief Accountant (From 31 December 2024)   |



**STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**

**THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY**

The Board of Management of the Bank is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Bank as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue its business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Bank, and that the financial statements comply with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Bank has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Management,



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**Vu Quoc Khanh**  
**Chief Executive Officer**

*Hanoi, 25 March 2025*



No: 0748/VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

**To:**                   **The Shareholders**  
                          **The Board of Directors and the Board of Management**  
                          **Fortune Vietnam Joint Stock Commercial Bank**

We have audited the accompanying financial statements of Fortune Vietnam Joint Stock Commercial Bank (the "Bank"), prepared on 25 March 2025 as set out from page 06 to page 73, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and the cash flow statement for the year then ended, and a summary of accounting policies and other explanatory information.

### Board of Management' Responsibility

The Bank's Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for credit institutions and legal regulations relating to financial reporting.



**Khuc Thi Lan Anh**  
**Deputy General Director**  
Audit Practising Registration Certificate  
No. 0036-2023-001-1

**DELOITTE VIETNAM AUDIT COMPANY LIMITED**

25 March 2025  
Hanoi, S.R Vietnam

**Doan Dieu Huyen**  
**Auditor**  
Audit Practising Registration Certificate  
No. 5593-2025-001-1

**STATEMENT OF FINANCIAL POSITION**  
*As at 31 December 2024*

Unit: VND million

| NO.      | ITEMS  | Note | Closing balance    | Opening balance    |
|----------|--|------|--------------------|--------------------|
| <b>A</b> | <b>ASSETS</b>  |      |                    |                    |
| I.       | Cash   | 5    | 1,162,384          | 2,382,762          |
| II.      | Balances with the State Bank of Vietnam ("SBV")      | 6    | 14,369,534         | 14,578,444         |
| III.     | Deposits with and loans to other credit institutions | 7    | 96,455,319         | 35,527,676         |
| 1.       | Deposits with other credit institutions              |      | 89,027,361         | 35,059,076         |
| 2.       | Loans to other credit institutions                   |      | 7,484,935          | 526,177            |
| 3.       | Provision for loans to other credit institutions     |      | (56,977)           | (57,577)           |
| IV.      | Held-for-trading securities                          | 8    | 660,321            | 580,440            |
| 1.       | Held-for-trading securities                          |      | 660,321            | 580,440            |
| V.       | Derivatives and other financial assets               | 9    | 9,137              | -                  |
| VI.      | Loan to customers                                    |      | 327,276,218        | 271,972,649        |
| 1.       | Loan to customers                                    | 10   | 331,606,315        | 275,430,884        |
| 2.       | Provision for credit losses of loans to customers    | 11   | (4,330,097)        | (3,458,235)        |
| VII.     | Debts purchased                                      | 12   | -                  | 21,796             |
| 1.       | Debts purchased                                      |      | -                  | 21,961             |
| 2.       | Provision for credit losses of debts purchased       |      | -                  | (165)              |
| VIII.    | Investment securities                                | 13   | 58,080,339         | 46,844,368         |
| 1.       | Available-for-sale securities                        |      | 58,080,339         | 46,844,368         |
| IX.      | Long-term investments                                | 14   | 548,808            | 348,718            |
| 1.       | Other long-term investments                          |      | 548,808            | 348,718            |
| X.       | Fixed assets   |      | 2,731,787          | 1,949,987          |
| 1.       | Tangible fixed assets                                | 15   | 1,715,789          | 1,170,643          |
| a.       | Costs  |      | 3,469,789          | 2,940,904          |
| b.       | Accumulated depreciation                             |      | (1,754,000)        | (1,770,261)        |
| 2.       | Intangible assets                                    | 16   | 1,015,998          | 779,344            |
| a.       | Costs  |      | 1,258,422          | 996,036            |
| b.       | Accumulated amortisation                             |      | (242,424)          | (216,692)          |
| XI.      | Other assets   | 17   | 7,036,551          | 8,656,339          |
| 1.       | Receivables  |      | 1,535,761          | 3,050,171          |
| 2.       | Interests and fees receivable                        |      | 4,745,521          | 5,037,867          |
| 3.       | Other assets   |      | 761,672            | 575,737            |
| 4.       | Provision for other assets                           |      | (6,403)            | (7,436)            |
|          | <b>TOTAL ASSETS</b>                                  |      | <b>508,330,398</b> | <b>382,863,179</b> |

The accompanying notes are an integral part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION (Continued)**  
*As at 31 December 2024*

Unit: VND million

| No          | ITEMS   | Note      | Closing balance    | Opening balance    |
|-------------|---|-----------|--------------------|--------------------|
| <b>B.</b>   | <b>LIABILITIES AND OWNER'S EQUITY</b>                         |           |                    |                    |
| <b>I.</b>   | <b>Amount due to the Government and the SBV</b>               | <b>18</b> | <b>1,271,377</b>   | <b>89,576</b>      |
| 1.          | Deposits and borrowings from the Government and the SBV       |           | 1,271,377          | 89,576             |
| <b>II.</b>  | <b>Deposits and borrowings from other credit institutions</b> | <b>19</b> | <b>115,349,011</b> | <b>50,112,429</b>  |
| 1.          | Deposits from other credit institutions                       |           | 105,407,431        | 47,152,604         |
| 2.          | Borrowings from other credit institutions                     |           | 9,941,580          | 2,959,825          |
| <b>III.</b> | <b>Deposits from customers</b>                                | <b>20</b> | <b>283,171,846</b> | <b>237,391,609</b> |
| <b>IV.</b>  | <b>Derivatives and other financial liabilities</b>            | <b>9</b>  | <b>-</b>           | <b>75,786</b>      |
| <b>V.</b>   | <b>Valuable papers issued</b>                                 | <b>21</b> | <b>55,458,916</b>  | <b>47,909,881</b>  |
| <b>VI.</b>  | <b>Other liabilities</b>                                      | <b>22</b> | <b>9,740,948</b>   | <b>13,166,498</b>  |
| 1.          | Interests and fees payables                                   |           | 7,816,590          | 9,839,488          |
| 2.          | Other payables and liabilities                                |           | 1,924,358          | 3,327,010          |
|             | <b>TOTAL LIABILITIES</b>                                      |           | <b>464,992,098</b> | <b>348,745,779</b> |
| <b>VII.</b> | <b>Capital and reserves</b>                                   |           |                    |                    |
| 1.          | The Bank's capital  | 23        | 25,576,221         | 25,576,221         |
|             | <i>Charter capital</i>  |           | 25,576,164         | 25,576,164         |
|             | <i>Share premium</i>  |           | 57                 | 57                 |
| 2.          | The Bank's reserves   | 23        | 5,640,216          | 3,696,036          |
| 3.          | Retained earnings   | 23        | 12,121,863         | 4,845,143          |
|             | <b>TOTAL OWNER'S EQUITY</b>                                   |           | <b>43,338,300</b>  | <b>34,117,400</b>  |
|             | <b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>                   |           | <b>508,330,398</b> | <b>382,863,179</b> |

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (Continued)  
 As at 31 December 2024

Unit: VND million

OFF-BALANCE-SHEET ITEMS

| No | ITEMS   | Note | Closing balance | Opening balance |
|----|---|------|-----------------|-----------------|
| 1. | Credit guarantees                                   | 41   | 47,370          | 55,340          |
| 2. | Foreign currency commitments                        | 41   | 173,657,384     | 162,150,751     |
| a. | Foreign currency purchase commitments               |      | 5,678,169       | -               |
| b. | Foreign currency sale commitments                   |      | 4,148,345       | 2,902,200       |
| c. | Swap commitments                                    |      | 163,830,870     | 159,248,551     |
| 3. | Letters of credit commitments                       | 41   | 484,545         | 676,398         |
| 4. | Other guarantees                                    | 41   | 3,017,938       | 1,706,763       |
| 5. | Other commitments                                   | 41   | 5,526,892       | 4,486,870       |
| 6. | Uncollected interest from loans and fee receivables | 42   | 1,805,403       | 1,235,726       |
| 7. | Bad debts written-off                               | 43   | 11,114,974      | 10,649,809      |
| 8. | Other assets and papers                             | 44   | 1,560,377       | 2,322,992       |

Prepared by



Nguyen Van Hieu  
 Accounting and Tax Specialist

Approved by



Nguyen Tien Cong  
 Chief Accountant



Vu Quoc Khanh  
 Chief Executive Officer

25 March 2025

The accompanying notes are an integral part of these financial statements.



**INCOME STATEMENT**  
 For the year ended 31 December 2024

Unit: VND million

| No    | ITEMS   | Note | Current year       | Prior year<br>(restated) |
|-------|---|------|--------------------|--------------------------|
| 1.    | Interest and similar income   | 24   | 34,137,034         | 32,353,651               |
| 2.    | Interest and similar expenses   | 25   | (18,743,291)       | (21,150,522)             |
| I.    | <b>Net interest and similar income</b>  |      | <b>15,393,743</b>  | <b>11,203,129</b>        |
| 3.    | Income from services rendered   |      | 3,594,134          | 3,905,988                |
| 4.    | Expenses on services rendered   |      | (383,135)          | (340,361)                |
| II.   | <b>Net gain from services rendered</b>  | 26   | <b>3,210,999</b>   | <b>3,565,627</b>         |
| III.  | <b>Net gain from foreign currency trading</b>   | 27   | <b>273,305</b>     | <b>435,098</b>           |
| IV.   | <b>Net gain from trading held-for-trading securities</b>                                | 28   | <b>43,021</b>      | <b>30,208</b>            |
| V.    | <b>Net (loss) from trading investment securities</b>                                    | 29   | <b>(1,462)</b>     | <b>(5,254)</b>           |
| 5.    | Income from other activities  |      | 1,246,273          | 490,524                  |
| 6.    | Expenses on other activities  |      | (308,466)          | (143,372)                |
| VI.   | <b>Net gain from other activities</b>   | 31   | <b>937,807</b>     | <b>347,152</b>           |
| VII.  | <b>Income from capital contribution and equity investments in other entities</b>        | 30   | <b>75,017</b>      | <b>49,345</b>            |
|       | <b>Total operating income</b>   |      | <b>19,932,430</b>  | <b>15,625,305</b>        |
| 7.    | Employee costs  |      | (3,150,674)        | (3,233,810)              |
| 8.    | Depreciation and amortisation expenses  |      | (1,173,004)        | (1,023,185)              |
| 9.    | Other operating expenses  |      | (1,486,765)        | (1,502,877)              |
| VIII. | <b>Total operating expenses</b>   | 32   | <b>(5,810,443)</b> | <b>(5,759,872)</b>       |
| IX.   | <b>Net profit from operating activities before provision expenses for credit losses</b> |      | <b>14,121,987</b>  | <b>9,865,433</b>         |
| X.    | <b>Provision expenses for credit losses</b>   | 33   | <b>(1,953,819)</b> | <b>(2,826,040)</b>       |
| XI.   | <b>Profit before tax</b>  |      | <b>12,168,168</b>  | <b>7,039,393</b>         |
| 10.   | Current corporate income tax expense  | 34   | (2,447,268)        | (1,467,147)              |
| XII.  | <b>Corporate income tax expense</b>   |      | <b>(2,447,268)</b> | <b>(1,467,147)</b>       |
| XIII. | <b>Profit after tax</b>   |      | <b>9,720,900</b>   | <b>5,572,246</b>         |
| XIV.  | <b>Basic earnings per share</b>   | 35   | <b>3,254</b>       | <b>1,974</b>             |

Prepared by

Nguyen Van Hieu  
 Accounting and Tax Specialist

Approved by

Nguyen Tien Cong  
 Chief Accountant

Approved by

Vu Quoc Khanh  
 Chief Executive Officer

25 March 2025

The accompanying notes are an integral part of these financial statements.



**CASH FLOW STATEMENT**  
 For the year ended 31 December 2024

Unit: VND million

|   | Note | Current year      | Prior year        |
|---|------|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |      |                   |                   |
| Interest and similar income received  |      | 34,247,516        | 31,525,094        |
| Interest and similar expenses paid  |      | (20,597,840)      | (17,583,219)      |
| Income from services rendered received  |      | 3,206,319         | 3,564,158         |
| Net cash from dealing in foreign currency and trading securities                                      |      | 476,972           | 175,210           |
| Other income/(expenses)   |      | (157,154)         | (2,771)           |
| Cash recovered from bad debts written off or compensated by provision for credit losses               |      | 945,522           | 359,547           |
| Payments to employees and for operation management  |      | (6,026,369)       | (5,028,906)       |
| Corporate income tax paid   | 34   | (2,740,215)       | (1,299,047)       |
| <b>Net cash flow from operating activities before changes in operating assets and working capital</b> |      | <b>9,354,751</b>  | <b>11,710,066</b> |
| <b>Changes in operating assets</b>  |      |                   |                   |
| (Increase)/Decrease in deposits with and loans to other credit institutions                           |      | (6,958,758)       | 132,021           |
| (Increase) in investment securities   |      | (11,315,851)      | (4,851,238)       |
| (Increase) in derivative financial instruments and other financial assets                             |      | (9,137)           | -                 |
| (Increase) in loans to customers and debts purchased  |      | (56,153,470)      | (39,685,522)      |
| Decrease in provision for credit losses on bad debts and corporate bonds                              |      | (1,083,793)       | (4,240,775)       |
| Decrease/(Increase) in other operating assets   |      | 505,069           | (1,221,125)       |
| <b>Changes in operating liabilities</b>   |      |                   |                   |
| Increase/(Decrease) in amount due to the Government and the SBV                                       |      | 1,181,801         | (2,987,204)       |
| Increase in deposits and borrowings from other credit institutions                                    |      | 65,236,581        | 10,452,408        |
| Increase in deposits from customers   |      | 45,780,237        | 21,503,583        |
| Increase in valuable papers issued (excluding valuable papers charged to financial activities)        |      | 7,549,034         | 12,861,714        |
| (Decrease)/Increase in derivatives and other financial liabilities                                    |      | (75,786)          | 33,756            |
| (Decrease) in other operating liabilities   |      | (40,087)          | (386,732)         |
| Expenditures from funds of credit institutions  |      | (316,416)         | (557,085)         |
| <b>Net cash used in from operating activities</b>   |      | <b>53,654,175</b> | <b>2,763,867</b>  |

The accompanying notes are an integral part of these financial statements.





**CASH FLOW STATEMENT (Continued)**  
 For the year ended 31 December 2024

Unit: VND million

|   | Note | Current year       | Prior year       |
|---|------|--------------------|------------------|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |      |                    |                  |
| Acquisition of fixed assets   |      | (1,107,524)        | (428,246)        |
| Proceeds from disposal of fixed assets  |      | 118,655            | 16,163           |
| Payments for disposal of fixed assets   |      | (1,236)            | (23,635)         |
| Payments for capital contribution to other entities                               |      | (200,090)          | (32,787)         |
| Dividends and profit received from long-term investments and capital contribution |      | 75,017             | 49,345           |
| <b>Net cash used in investing activities</b>                                      |      | <b>(1,115,178)</b> | <b>(419,160)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |      |                    |                  |
| Proceeds from capital contributed and/or issuing shares                           |      | -                  | 5,000,000        |
| <b>Net cash used in financing activities</b>                                      |      | <b>-</b>           | <b>5,000,000</b> |
| <b>Net cash flows for the year</b>  |      | <b>52,538,997</b>  | <b>7,344,707</b> |
| Cash and cash equivalents at the beginning of the period                          |      | 52,020,282         | 44,675,575       |
| Cash and cash equivalents at the end of the period                                | 36   | 104,559,279        | 52,020,282       |

Prepared by



Nguyen Van Hieu  
 Accounting and Tax Specialist

Approved by



Nguyen Tien Cong  
 Chief Accountant

Approved by



Vu Quoc Khanh  
 Chief Executive Officer

25 March 2025

The accompanying notes are an integral part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements*

**1. GENERAL INFORMATION OF THE BANK****Establishment and Operation**

Fortune Vietnam Joint Stock Commercial Bank ("the Bank"), formerly known as Lien Viet Joint Stock Commercial Bank, was established under the Operation License No. 91/GP-NHNN dated 28 March 2008 issued by the Governor of the State Bank of Vietnam ("SBV") with an operation period of 99 years from the issuance date. The Enterprise Registration Certificate No. 6300048638 issued by the Department of Planning and Investment of Hanoi has been amended for the 30<sup>th</sup> time on 29 December 2023.

In accordance with Official Letter No.244/TTg-DMDN dated 21 February 2011, the Vietnamese Prime Minister approved the capital contribution of Vietnam Post Corporation ("Vietnam Post") in Lien Viet Joint Stock Commercial Bank by the value of Vietnam Postal Saving Services Company ("VPSC") and cash. As at 01 July 2011, Vietnam Post completed the transfer of assets and liabilities of VPSC to Lien Viet Joint Stock Commercial Bank.

On 15 July 2024, the SBV issued Decision No. 423/QĐ-TTGSNH2 amending the contents of the Bank's Establishment and Operation License; accordingly, the Bank changed its name to as Fortune Vietnam Joint Stock Commercial Bank, abbreviated as LPBank.

On 21 January 2025, the Bank received Decision No. 125/QĐ-NHNN of the SBV further amending the contents of the Bank's Establishment and Operation License, accordingly, the Bank's charter capital is VND 29,872,821 million.

The Bank's principal operating activities include implementing banking transactions which comprise of mobilizing and receiving short-term, medium-term and long-term deposits from organizations and individuals; providing short-term, medium-term and long-term loans to organizations and individuals on the basis of the nature and capability of the Bank's capital resources; conducting foreign exchange transactions; trade finance services, discounting of commercial papers, bonds and other valuable papers; providing other banking services permitted by the SBV.

**Charter capital**

At 31 December 2024, the charter capital of the Bank was VND 25,576,164 million (as at 31 December 2023: VND 25,576,164 million)

**Locations and the Bank network**

The Bank's Head Office is located at LPB Tower, No. 210 Tran Quang Khai Street, Trang Tien Ward, Hoan Kiem District, Hanoi. The total number of the Bank's network points as at 31 December 2024 was one (01) Head Office, three (03) representative offices, eighty five (85) branches, four hundred and eighty one (481) transaction offices and five hundred and twelve (512) post transaction offices nationwide.

#### Employees

Total employees of the Bank as at 31 December 2024 were 11,189 (as at 31 December 2023: 10,627).

#### Disclosure of information comparability in the financial statements

The comparative figures are the figures of the audited financial statements for the year ended 31 December 2023.

## 2. BASIS FOR PREPARING FINANCIAL STATEMENTS AND FINANCIAL YEAR

#### Basis for preparing financial statements

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. However, due to the Bank's large scale of operation, for the purpose of preparing these financial statements, the figures are rounded to and presented in millions of Vietnam Dong (VND million). This presentation does not materially impact the financial statements in terms of the financial position, results of operations and cash flows of the Bank. With regard to the number of shares, the Bank presented the items in units as presented in Note 23.3.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices which are generally accepted in countries and jurisdictions other than Vietnam.

#### Financial year

The Bank's accounting period begins on 01 January and ends on 31 December.

## 3. ADOPTION OF NEW GUIDANCE AND NEW GUIDANCE IN ISSUE BUT NOT YET EFFECTIVE

#### Adoption of new guidance

##### *Law on Credit Institutions No. 32/2024/QH15*

On 18 January 2024, the National Assembly issued the Law on Credit Institutions No.32/2024/QH15 ("Credit Institutions Law 2024") regulating the establishment, organization, operation, and early intervention, special control, reorganization, dissolution, bankruptcy of credit institutions; handling of bad debts and collateral for bad debts of credit institutions. The Credit Institutions Law 2024 takes effect from 01 July 2024, replacing the Law on Credit Institutions No. 47/2010/QH12 dated 16 June 2010 and the Law No. 17/2017/QH14 dated 20 November 2017 amending and supplementing a number of Articles of the Law on Credit Institutions, except for certain provisions effective from 01 January 2025.

##### *Circular No. 31/2024/TT-NHNN and Decree No. 86/2024/ND-CP*

On 30 June 2024, the SBV issued Circular No. 31/2024/TT-NHNN regulating the classification of assets in the operations of commercial banks, non-bank credit institutions, and foreign bank branches ("Circular 31"). Circular 31 takes effect from 01 July 2024.

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On 11 July 2024, the Government issued Decree No. 86/2024/ND-CP regulating the level of provisioning, the method of setting up risk provisions, the use of provisions to handle risks in the operations of credit institutions, foreign bank branches, and cases where credit institutions are required to derecognize interest receivables that had been recorded ("Decree 86"). Decree 86 takes effect from 11 July 2024.

According to Circular 31, Circular No. 11/2021/TT-NHNN issued by the SBV on 30 July 2021 regulating the classification of assets, provision levels, methods of risk provisioning and the use of provisions to handle risks in the operations of credit institutions and foreign bank branches ("Circular 11") ceases to be effective from the effective date of Circular 31.

The Bank applies the provisions of Circular 31 and Decree 86 prospectively from the effective date of Circular 31 and Decree 86. Significant changes in the Bank's accounting policies and impacts on the financial statements, if any, are presented in Note 04.

***Circular No. 21/2024/TT-NHNN***

On 28 June 2024, the SBV issued Circular No. 21/2024/TT-NHNN regulating letter of credit operations and other business activities related to letters of credit ("Circular 21"). Circular 21 takes effect from 01 July 2024. The Bank applies the provisions of Circular 21 prospectively from the effective date of Circular 21. The application of Circular 21 does not have a material impact on the Bank's financial statements. Significant changes in the Bank's accounting policies and the impacts on the financial statements, if any, are disclosed in Note 04.

***Circular No. 06/2024/TT-NHNN***

On 18 June 2024, the SBV issued Circular No. 06/2024/TT-NHNN ("Circular 06") amending and supplementing a number of articles of Circular No. 02/2023/TT-NHNN ("Circular 02") dated 23 April 2023 of the SBV regulating credit institutions' debt repayment restructuring and maintaining the same debt group to support customers facing difficulties. Accordingly, Circular 06 stipulates that the debt repayment restructuring for customers as prescribed in this Circular shall be implemented from the effective date of this Circular until 31 December 2024. Circular 06 takes effect from 18 June 2024.

***Circular 53/2024/TT-NHNN and Decision 1510/QD-TTg***

On 04 December 2024, the SBV issued Circular No. 53/2024/TT-NHNN ("Circular 53") regulating the restructuring of debt repayment terms for customers facing difficulties due to the impact and damage of Storm No. 3, floods, landslides in the aftermath of Storm No. 3. Accordingly, Circular 53 stipulates that the restructuring of debt repayment terms for customers according to the provisions of this Circular shall be implemented from the effective date of this Circular until 31 December 2025. Circular 53 takes effect from 04 December 2024.

On the same day, the Prime Minister issued Decision No. 1510/QD-TTg on the classification of assets, the level of risk provisioning, the method of risk provisioning and the use of provisions to handle risks for debts of customers facing difficulties due to the impact and damage of storm No. 3. Significant changes in the Bank's accounting policies and the impacts on the financial statements, if any, are presented in Note 4.

The Bank's Board of Management has applied the aforementioned Laws, Decisions and Circulars in the financial reporting of the year ended 31 December 2024.



**New guidance in issue but not yet effective**

***Law No. 56/2024/QH15 dated 29 November 2024***

On 29 November 2024, the National Assembly issued Law No. 56/2024/QH15 ("Law 56") amending Law on Securities, Law on Accounting, Law on Independent Audit, Law on State Budget, Law on Management and Use of Public Property, Law on Tax Administration, Law on Personal Income Tax, Law on National Reserves and Law on Penalties for Administrative Violations. Law 56 takes effect from 01 January 2025, except for certain articles which shall be effective from 01 April 2025 and 01 January 2026.

The Board of Management assesses that the adoption of the Law 56 may not have any material impact on the comparative figures of the Bank's separate financial statements in future periods.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted by the Bank in the preparation of these financial statements, are as follows:

**Foreign currency**

All transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using the average buying and selling spot exchange rates ("spot exchange rate") at the close of business of the period-end date if the difference between this spot rate and the weighted average buying and selling exchange rate of the same day is less than 1% (see details of exchange rates of main foreign currencies applied as of 31 December 2024 and 31 December 2023 in Note 50). In case the difference between this spot rate and the weighted average buying and selling exchange rate of the same day is higher than or equal to 1%, the Bank uses the weighted average buying and selling exchange rates ruling at the period-end date for conversion.

Non-monetary items dominated in foreign currencies are translated into VND at the spot exchange rate ruling on transaction date.

Income and expenses in foreign currencies are translated into VND at the spot exchange rate ruling on transaction dates.

Exchange differences arising from the translation of monetary assets and liabilities from foreign currencies into VND at the monthly reporting date are recorded in the "Foreign exchange reserve" item under the "Owner's equity" section in the statement of financial position and are recognized in the income statement upon the period end reporting.

**Accounting estimates**

The preparation of the financial statements in conformity with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates and assumptions. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods.

### Cash and cash equivalents

Cash and cash equivalents comprises cash, gold, deposits at SBV, deposits at other credit institutions, loans to other credit institutions with original term of not exceeding three months, Government treasury bills and other short-term valuable papers which are eligible for discount with SBV, securities investments with recovery or maturity period not exceeding three months from the acquisition date that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

### Deposits with and loans to other credit institutions

Deposits with other credit institutions comprise current deposits and deposits at other credit institutions with original terms of not exceeding three months. Loans to other credit institution are loans with original terms to maturity of not exceeding twelve months

Deposits with other credit institutions, and loans to other credit institutions are stated at the amount of balances.

Demand deposits with other credit institutions are recorded at their principal balances.

Debt classification of term deposits with other credit institutions (except for deposits with Vietnam Bank for Social Policies in accordance with the regulations of the SBV on state-owned credit institutions maintaining deposit balances with Vietnam Bank for Social Policies - VBSP) and loans to other credit institutions and allowance thereof is stated in "Debt classification, allowance level and calculation method of allowance for credit losses".

Under Decree 86, the Bank is not required to make general provision for term deposits and loans to other credit institutions.

### Trading securities

#### *Classification*

Trading securities are debt or equity securities purchased which are acquired principally for the purpose of selling in the short-term or there is evidence of a recent pattern of short-term profit-taking.

#### *Recognition*

The Bank recognizes trading securities at the time the Bank obtains ownership, specifically as follows:

- Listed securities: recognized at the time of order matching (T+0).
- Unlisted securities: recognized when legal ownership is obtained.

#### *Measurement*

Trading securities are recognized at cost less any provision for trading securities risk. The provision for trading securities risk includes a provision for impairment, which is made when there is evidence that the market value of the trading securities is lower than the carrying amount on the accounting records.



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The provision for impairment of trading securities mentioned above will be reversed when the recoverable value of the trading securities increases after the provision has been recognized. The provision can only be reversed to the extent that the carrying amount of the trading securities does not exceed the carrying amount that would have been determined had no provision been recognized.

As of 31 December 2024 and 31 December 2023, trading securities consist of foreign open-end fund certificates.

***Derecognition***

Trading securities are derecognised when the contractual rights to the cash flows from these securities expired or when the significant risks and rewards of ownership of these securities have been transferred.

**Loans to customers**

Loans to customers are stated at the amount of the principal balance less allowance for loans to customers.

Short-term loans are those with maturity term within 1 year from the loan disbursement date. Medium-term loans are those with maturity term from 1 year to 5 years from the loan disbursement date. Long-term loans are those with maturity term of more than 5 years from the loan disbursement date.

Debt classification and allowance for credit losses are made in accordance with Circulars, Decrees described in Notes "Debt classification, allowance level and calculation method of allowance for credit losses".

**Debt classification, allowance level and calculation method of allowance for credit losses**

***Debt classification***

***Before 01 July 2024***

The classification of debt for deposits at other credit institutions (excluding demand deposits, deposits at VBSP as stipulated by the SBV regarding state-owned credit institutions maintaining deposit balances at VBSP); purchase or entrusted purchase of unlisted corporate bonds (including bonds issued by other credit institutions) not listed on the stock market or not registered for trading on the Upcom trading system (collectively referred to as "unlisted bonds"); loans to customers and loans to other credit institutions (including loans, financial leases, discounts, rediscounts of transferable instruments and other valuable papers, factoring, credit issuance in the form of credit card issuance, and off-balance sheet commitments); entrusted credit extension; debts sold but not fully collected; repurchased debts; Government bond repurchase agreements; purchase of certificates of deposit, promissory notes, and bills of exchange issued by other credit institutions are carried out based on quantitative factors as stipulated in Article 10 of Circular 11.





From 01 July 2024

The classification of debt for deposits at other credit institutions (excluding demand deposits, deposits at VBSP as stipulated by the SBV regarding state-owned credit institutions maintaining deposit balances at VBSP); purchase or entrusted purchase of unlisted corporate bonds (including bonds issued by other credit institutions) not listed on the stock market or not registered for trading on the Upcom trading system (collectively referred to as "unlisted bonds"); loans to customers and loans to other credit institutions (including loans, financial leases, discounts, rediscounts of transferable instruments and other valuable papers, factoring, credit issuance in the form of credit card issuance, and off-balance sheet commitments); entrusted credit extension; debts sold but not fully collected; repurchased debts, Government bond repurchase agreements; certificates of deposit issued by other credit institutions; receivables arising from outright purchase without recourse of documents presented under letters of credit (except for outright purchase without recourse of documents under letters of credit issued by the Bank itself); reimbursing bank amounts for payments made to beneficiaries under Usance Payable at Sight (UPAS) letter of credit (L/C) that allow the beneficiary to be paid immediately or before the L/C due date issued by the Bank (collectively referred to as "debts") are carried out based on quantitative factors as stipulated in Article 10 of Circular 31. The Bank performs monthly debt classification based on the principal balances as of the last day of the month as follows:

| Group |                 | Overdue status  |
|-------|-----------------|---|
| 1     | Standard        | (a) Loans that are within the due date and are assessed as fully recoverable on due, including both principal and interest; or<br>(b) Loans that are overdue for less than 10 days and are assessed as fully recoverable, including both principal and overdue interest, and the remaining principal and interest will be fully recovered on time.  |
| 2     | Special mention | (a) Loans overdue from 10 days to 90 days; or<br>(b) Loans with the first rescheduled repayment term still within the due date.   |
| 3     | Sub-standard    | (a) Loans overdue from 91 days to 180 days; or<br>(b) Loans with the first extension of the repayment term still within the due date; or<br>(c) Loans with interest exemption or reduction due to the customer's inability to fully repay the interest according to the credit contract; or<br>(d) Loans that fall into any of the following cases that have not been recovered within 30 days from the date of the recovery decision: <ul style="list-style-type: none"> <li>• Loans violating the provisions in Clauses 1, 3, 4, 5, and 6 of Article 134 of the Law on Credit Institutions; or</li> <li>• Loans violating the provisions in Clauses 1, 2, 3, and 4 of Article 135 of the Law on Credit Institutions; or</li> <li>• Loans violating the provisions in Clauses 1, 2, 5, and 9 of Article 136 of the Law on Credit Institutions;</li> </ul> (e) Loans within the recovery period according to the conclusion of an inspection or audit; or<br>(f) Loans to be recovered according to the decision of early debt recovery due to customer breach of agreement, which have not been recovered within 30 days from the date of the recovery decision. |

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| Group |          | Overdue status   |
|-------|----------|--|
| 4     | Doubtful | (a) Loans overdue from 181 days to 360 days; or<br>(b) Loans with the first restructuring of the repayment term overdue up to 90 days according to the first restructured repayment term; or<br>(c) Loans with the second restructuring of the repayment term still within the due date; or<br>(d) Loans specified in point (d) of sub-standard loans that have not been recovered within 30 to 60 days from the date of the recovery decision; or<br>(e) Loans to be recovered according to the conclusion of an inspection, but recovery has not been completed within 60 days from the deadline for recovery as stated in the inspection conclusion; or<br>(f) Loans to be recovered according to the decision of early debt recovery due to customer breach of agreement, which have not been recovered within 30 to 60 days from the date of the recovery decision.   |
| 5     | Loss     | (a) Loans overdue for more than 360 days; or<br>(b) Loans with the first restructuring of the repayment term overdue for 91 days or more according to the first restructured repayment term; or<br>(c) Loans with the second restructuring of the repayment term overdue according to the second restructured repayment term; or<br>(d) Loans with the third or subsequent restructuring of the repayment term, whether overdue or not; or<br>(e) Loans specified in point (d) of sub-standard loans that have not been recovered within more than 60 days from the date of the recovery decision; or<br>(f) Loans to be recovered according to the conclusion of an inspection, but recovery has not been completed within more than 60 days from the deadline for recovery as stated in the inspection conclusion; or<br>(g) Loans to be recovered according to the decision of early debt recovery due to customer breach of agreement, which have not been recovered for more than 60 days from the date of the recovery decision; or<br>(h) Loans from customers who are credit institutions declared by the SBV to be in special control status, or foreign bank branches whose capital and assets are frozen. |

For off-balance sheet commitments, the Bank classifies debts based on the number of overdue days from the date the Bank performs its obligations under the commitment:

- Group 3 - Sub-standard: if overdue less than 30 days;
- Group 4 - Doubtful: if overdue from 30 days to less than 90 days;
- Group 5 - Loss: if overdue from 90 days or more.

Non-performing loans are debts under Groups 3, 4 and 5.

If a customer has more than one loan from the Bank, one of which is transferred to a higher risk group, The Bank shall classify the remaining loans of that customer to the highest risk loan group.

When the Bank participates in a syndicated loan, the Bank classifies the debts (including syndicated loans) of that customer into the higher risk group between the assessment of the banks participating in the syndicated loan and the Bank's assessment.

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



*Debt classification for loans having rescheduled debt repayment term, exempted or reduced interest and fees in order to support customers affected by Covid-19 pandemic*

The Bank has adopted Circular No. 01/2020/TT-NHNN dated 13 March 2020 (“Circular 01”) issued by the SBV on providing regulations on restructuring of loan repayment periods, exemption/reduction of interest/fees and keeping loan groups unchanged to assist customers affected by the Covid-19 pandemic, Circular No. 03/2021/TT-NHNN dated 2 April 2021 (“Circular 03”) issued by the SBV on amending and supplementing to some articles of Circular 01 and Circular No. 14/2021/TT-NHNN dated 07 September 2021 (“Circular 14”) issued by the SBV on amending and supplementing to some articles of Circular 01. Accordingly, for customers whose loans:

- disbursed before 1 August 2021;
- whole payment terms of principals and/or interest fall in period from 23 January 2020 to 30 June 2022;
- the outstanding balance of the debt is restructured in one of the following cases: the outstanding balance is within the due date or overdue for up to 10 days from the due date, the repayment period according to the contract or agreement; or the outstanding balance of the debt arising before 23 January 2020 and overdue in the period from 23 January 2020 to 29 March 2020; or the outstanding balance of the debt arising in the period from 23 January 2020 to before 10 June 2020 and overdue before 17 May 2021; or the outstanding balance of the debt incurred between 10 June 2020 and before 01 August 2021 and overdue between 17 July 2021 and before 07 September 2021;
- these customers are unable to repay the principal and/or interest on schedule under the agreement due to decrease in revenue or income caused by Covid-19 pandemic;
- and not violate the law.

the Bank is allowed to reschedule loan repayment periods, grant exemption/reduction of interest/fees and maintain loan groups as follows:

| Outstanding debt   | Debt classification   |
|--|---|
| Debt incurred before 23 January 2020                             | Maintain the debt group as classified at the most recent time before 23 January 2020.   |
| The debt arising from 23 January 2020, to before 01 August 2021. | <ul style="list-style-type: none"> <li>• Maintain the debt group as classified at the most recent time before the first debt restructuring date; or</li> <li>• Maintain the debt group as classified at the most recent time before the debt became overdue; or</li> <li>• Maintain the debt group as classified at the most recent time before the first interest waiver or reduction date.</li> </ul> |

The Bank shall base on prevailed regulations on debt classification in the operations of credit institutions to classify debts with restructured repayment terms, exempted or reduced interest and fees, and maintain the debt group according to the provisions of Circular 01, Circular 03, Circular 14 for assets with no outstanding debt that has been restructured..





*Debt classification for loans having rescheduled debt repayment term and retention of debt group to assist borrowers of business loans and consumer loans in difficulties*

The Bank has applied Circular No. 02/2023/TT-NHNN dated 23 April 2023 ("Circular 02") issued by the SBV providing regulations on restructuring debt repayment terms and maintaining debt group unchanged to support customers in difficulty and Circular No. 06/2024/TT-NHNN dated 18 June 2024 ("Circular 06") issued by the SBV amending and supplementing a number of articles of Circular 02. Accordingly, for customers

- whose loans are disbursed before 24 April 2023;
- whose payment terms of principals and/or interest fall in period from 24 April 2023 to 31 December 2024;
- the outstanding balance of the debt with a restructured repayment term is still due or overdue for up to 10 (ten) days from the payment due date, the repayment term according to the contract or agreement; the Bank assesses that the customer is unable to repay the principal and/or interest on time according to the contract or agreement due to a decrease in revenue and income compared to the revenue and income in the principal and/or interest repayment plan according to the contract or agreement; the Bank assesses that the customer is able to fully repay the principal and/or interest according to the restructured repayment term;
- and not violate the law.

The Bank is allowed to restructure the debt repayment period and keep the debt group the same as the debt group at the most recent time before restructuring the debt repayment period.

*Debt classification for debts with restructured repayment terms for customers facing difficulties due to the impact and damage of storm No. 3, floods, landslides in the aftermath of storm No. 3*

The Bank applies Circular No. 53/2024/TT-NHNN dated 04 December 2024 ("Circular 53") issued by the SBV regulating the restructuring of debt repayment terms for customers facing difficulties due to the impact and damage of storm No. 3, floods, landslides in the aftermath of storm No. 3. Accordingly, for the outstanding principal and interest of debts:

- arising in the provinces and centrally-run cities: Ha Giang, Cao Bang, Lang Son, Bac Giang, Phu Tho, Thai Nguyen, Bac Kan, Tuyen Quang, Lao Cai, Yen Bai, Lai Chau, Son La, Dien Bien, Hoa Binh, Hanoi, Hai Phong, Hai Duong, Hung Yen, Vinh Phuc, Bac Ninh, Thai Binh, Nam Dinh, Ha Nam, Ninh Binh, Quang Ninh, Thanh Hoa (hereinafter referred to as 26 provinces and cities) facing difficulties due to the impact and damage of storm No. 3, including:
  - customers who are individuals with current residence or work or have production and business establishments or have investment, construction, production and business activities in 26 provinces and cities;
  - customers who are organizations (except customers who are credit institutions, foreign bank branches) with headquarters, branches, representative offices or production and business establishments or have investment, construction, production and business activities in 26 provinces and cities.
- have outstanding principal arising before 7 September 2024 and from lending activities;
- have the obligation to repay principal and interest in the period from 7 September 2024 to 31 December 2025;
- the outstanding balance of the debt with a restructured repayment term is still due or overdue for up to 10 days from the agreed payment due date. The outstanding balance of the debt that is overdue for more than 10 days and overdue in the period from 7 September 2024 to 16 December 2024 is restructured for the repayment term when restructuring for the first time according to Circular 53;
- the Bank assesses that the debt is having difficulty in repaying the principal and interest on time according to the agreed contract due to the impact and damage of storm No. 3 and is able to fully repay the principal and interest according to the restructured repayment term;
- and does not violate the provisions of law.



the Bank is allowed to restructure the debt repayment period and classify debts according to Decision No. 1510/QĐ-TTg dated 04 December 2024 ("Decision 1510") issued by the Prime Minister on the classification of assets, the level of risk provisioning, the method of risk provisioning and the use of provisions to handle risks for debts of customers facing difficulties due to the impact and damage of storm No. 3 as follows:

- the debt group is kept the same as the debt group classified at the most recent time before 07 September 2024 during the debt repayment period restructuring period;
- the Bank is not required to adjust or reclassify into a debt group with a higher risk level for debts that are kept in the same debt group and are still within the term according to the restructuring period;
- if the debt is kept in the overdue debt group according to the restructuring period but is not further restructured for the repayment period or there is no outstanding debt that is restructured for the repayment period according to Circular 53, the Bank must classify the debt according to the regulations of the State Bank on classification of assets in the operations of credit institutions and foreign bank branches.

**Allowance for credit losses**

Allowance for credit losses include specific allowance for credit losses and general allowance for credit losses.

*Specific allowance for credit losses*

According to the provisions of Circular 11 (before 01 July 2024) and Decree 86 (from 01 July 2024), the Bank provides specific allowance for credit losses at the end of each month based on the allowance rates corresponding to debt classification results and outstanding principals of debts at the last day of the month less the converted value of collateral assets. Specific provisions as at 31 December 2024 are calculated based on the results of debt classification and principal balance as at 31 December 2024. The specific credit risk provision ratio for each debt group is as follows:

| Group | Category        | Specific provision rate |
|-------|-----------------|-------------------------|
| 1     | Standard        | 0%                      |
| 2     | Special mention | 5%                      |
| 3     | Substandard     | 20%                     |
| 4     | Doubtful        | 50%                     |
| 5     | Loss            | 100%                    |

The value and maximum discount rate of collateral are determined according to the provisions of Circular 11 (before 01 July 2024) and Decree 86 (from 01 July 2024) whereby each type of collateral has a certain maximum discount rate for the purpose of calculating allowance for credit losses.

*Additional specific provision under Circular 03*

The Bank determines and records the specific allowance amount required to be added for the entire outstanding loan balance of customers on an annual basis, including the loan balances with repayment period rescheduled, interest exempted or reduced according to the loan classifications in accordance with prevailing regulations (if the regulations on retaining loan groups under the provisions of Circular 01, Circular 03 and Circular 14 are not applied) as follows:

| Additional allowance for each period                                   | Deadline               |
|--|------------------------|
| At least 30% of the additional specific allowance amount shall be made | Until 31 December 2021 |
| At least 60% of the additional specific allowance amount shall be made | Until 31 December 2022 |
| 100% of the additional specific allowance amount shall be made         | Until 31 December 2023 |



The Bank has made full provision for the specific amount of additional provisions required according to the time limits as prescribed above. From 1 January 2024, the Bank shall, based on current regulations on risk provisions in the operations of credit institutions, make risk provisions for debts with restructured repayment terms, exempted or reduced interest and fees, and maintained in the same debt group as prescribed in Circular 01, Circular 03 and Circular 14.

*Additional specific provision under Circular 02, Circular 06*

The Bank determines and records the specific allowance amount required to be added for the entire outstanding loans of customers on an annual basis, including the loan balances with repayment period rescheduled according to the loan classifications in accordance with Circular 02 and Circular 06 as follows:

| Additional allowance for each period                                   | Deadline               |
|--|------------------------|
| At least 50% of the additional specific allowance amount shall be made | Until 31 December 2023 |
| 100% of the additional specific allowance amount shall be made         | Until 31 December 2024 |

As at 31 December 2024, the Bank has made 100% of the specific additional provisions required as prescribed above.

*Additional specific provision under Decision 1510*

The Bank determines and records the additional amount of specific provisions required for all outstanding debts of customers whose repayment terms are restructured and whose debt groups are maintained in accordance with Circular 53 and Decision 1510 as follows:

| Supplementary provision for each stage   | Provision period       |
|--|------------------------|
| (i) At least 35% of the specific provision amount must be supplemented.  | Until 31 December 2024 |
| (ii) Supplement to reach at least 70% of the specific provision amount that must be supplemented.<br>For debts that are restructured according to the regulations of the SBV on credit institutions and foreign bank branches restructuring the repayment period for customers facing difficulties due to the impact and damage caused by Storm No. 3 before 01 January 2025, the Bank must make provision in 2025 at a minimum rate specified in item (i).                | Until 31 December 2025 |
| (iii) Supplement the remaining amount to reach 100% of the specific provision amount that must be supplemented.<br>For debts that are restructured according to the regulations of the SBV on credit institutions and foreign bank branches restructuring the repayment period for customers facing difficulties due to the impact and damage caused by Storm No. 3 before 01 January 2026, the Bank must make provision in 2026 at a minimum rate specified in item (ii). | Until 31 December 2026 |

As at 31 December 2024, the Bank is not required to make specific provisions in accordance with the above provisions.

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*General Credit Risk Provision*

According to Circular 11 (before 01 July 2024) and Decree 86 (from 01 July 2024), a general credit risk provision is also made at a rate of 0.75% of the total outstanding balance of loans as of the last day of the month, excluding deposits and loans to other credit institutions, bonds issued by other credit institutions, and debts classified as non-performing loans. The general provision as of 31 December 2024, is calculated based on the loan classification results and the principal outstanding balance as of 31 December 2024.

***Bad debt written-off***

According to Decree 86, customer loans will be written off using the provision when they are classified into Group 5 or when the borrower declares bankruptcy or dissolution (in the case of corporate borrowers), or when the borrowing customer dies or goes missing (in the case of individual borrowers).

Debts that have been written off using the provision are properly recorded off-balance-sheet for debt monitoring and collection. The amount recovered from debts written off is recognized in the income statement when collected.

***Classification and provision for off-balance-sheet commitments***

According to Circular 11 (before 01 July 2024) and Decree 86 (from 01 July 2024), the classification of off-balance sheet credit commitments is carried out solely for the purpose of managing and monitoring the quality of credit activities. Banks do not make provision for off-balance-sheet commitments, unless the bank is required to fulfill a payment obligation under a guarantee contract, in which case, this payment is classified as a debt and a provision is made according to the accounting policy presented in "Debt Classification" and "Credit Risk Provision."

**Debt purchased**

***Debt purchased***

Debts purchased are recognized in the financial statements at the purchase price stated in the contract and monitored off-balance-sheet based on the principal outstanding balance and accrued interest before the purchase. Interest income from purchased debts is recognized in the income statement on an accrual basis from the purchase date, except for purchased debts classified from Group 2 to Group 5 as presented in "Debt classification, allowance level and calculation method of allowance for credit losses." Interest accrued before the bank purchased the debt is deducted from the value of the purchased debt.

***Provision for risks in debt purchased activities***

Purchased debts are classified into a risk group no lower than the group to which the debt was classified by the seller before the purchase, as stipulated in Circular 11 (before 01 July 2024) and Circular 31 (from 01 July 2024), and provisions are made according to the method presented in "Debt classification, allowance level and calculation method of allowance for credit losses."

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**Investment securities**

***Classification***

Investment securities include securities available for sale. The Bank classifies investment securities at the time of purchase as either securities available for sale or securities held to maturity. According to Official Letter No. 2601/NHNN-TCKT issued by the SBV on 14 April 2009, for the investment securities category, the Bank is allowed to reclassify them no more than one time after the initial classification at the time of purchase.

Securities available for sale are debt or equity securities held for an indefinite period and can be sold at any time.

***Recognition***

The Bank recognizes investment securities at the time it assumes the majority of the risks and benefits of owning these securities.

***Measurement***

***Debt securities***

Debt securities available for sale are initially recognized at cost, including the purchase price plus directly related costs such as brokerage fees, transaction fees, information provision fees, taxes, duties, and bank fees (if any).

Subsequently, these securities are recognized at amortized cost (adjusted for the amortization of discounts and premiums) less any provision for securities risks (including credit risk provisions and securities impairment provisions). Premiums and discounts arising from the purchase of debt securities are amortized into the income statement using the straight-line method over the holding period.

Listed debt securities available for sale are classified as investment securities and are recognized at cost less any impairment provision by referencing the most recent transaction on the Stock Exchange within 10 days prior to the end of the financial year. If there are no transactions within 10 days prior to the end of the financial year, the Bank does not make provision for these debt securities. The Bank does not make provision provisions for Government bonds, Government-guaranteed bonds, or local Government bonds classified as investment securities.

Unlisted corporate bonds available for sale are recognized at cost. The credit risk provision for debt securities available for sale is calculated using the method presented in "Credit Risk Provision."

Interest income from debt securities available for sale after purchase is recognized in the income statement on an accrual basis, except for interest from unlisted corporate bonds classified from Group 2 to Group 5, which is recognized on a cash basis (when received). Accrued interest before the Bank's purchase is deducted from the cost of the debt securities upon receipt.



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The provision for investment securities risk mentioned above will be reversed when the market price or the recoverable value of the investment securities increases after the provision has been recognized. The provision can only be reversed to the extent that the carrying amount of these securities does not exceed their carrying amount assuming no provision had been recognized previously.

***Derecognition***

Investment securities available for sale are derecognized when the rights to receive cash flows from these securities have expired or when the Bank has transferred substantially all the risks and rewards associated with the ownership of these securities.

**Repurchase and reverse repurchase agreements**

Securities sold under an agreement to repurchase at a specified future date are still recognized in the financial statements. The proceeds received under such agreements are recorded as borrowings in the statement of financial position, and the difference between the sale price and the repurchase price is recognized in the income statement based on the contract interest rate over the term of the agreement.

Conversely, securities purchased under an agreement to resell at a specified future date are not recognized in the financial statements. The payment made under such agreements is recorded as a loan in the statement of financial position, and the difference between the purchase price and the resale price is recognized in the income statement based on the contract interest rate over the term of the agreement.

**Other long-term investments**

Other long-term investments refer to long-term equity investment in other companies where the Bank does not have control or significant influence. These long-term investments are initially recognized at cost at the time of investment. After initial recognition, these investments are measured at cost less any provision for impairment.

**Provision for impairment of long-term investments**

A provision for impairment of long-term investments is established when the economic entities in which the Bank has invested incur losses, leading to the Bank's potential loss of capital, unless there is evidence that the value of the investment has not declined. The impairment provision is calculated as the total actual investment capital of the owners in the invested economic entity minus (-) the equity of the invested economic entity, multiplied by (x) the Bank's actual contributed capital ratio in the invested economic entity at the time the provision is made.

Other long-term investments are derecognized when the rights to receive cash flows from these investments have expired or when the Bank has transferred substantially all the risks and rewards associated with the ownership of these investments.

**Tangible fixed assets**

***Cost***

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of tangible fixed assets includes the purchase price of the asset, including import duties, non-refundable input taxes, and directly attributable costs necessary to bring the asset to the location and condition for its intended use. Costs incurred after the tangible fixed asset has been put into operation, such as repair, maintenance, and overhaul costs, are charged to expenses for the year in which the costs are incurred. If it can be clearly demonstrated that these costs increase the future economic benefits expected to be derived from the use of the tangible fixed asset beyond its originally assessed standard performance, these costs are capitalized as an additional cost of the tangible fixed asset.

***Depreciation***

Depreciation is calculated using the straight-line method based on the estimated useful life of the tangible fixed asset. The estimated useful lives are as follows:

| <u>Asset</u>                | <u>Estimated Useful Life</u><br>(Years) |
|-----------------------------|---|
| Buildings and structures    | 15 - 50                                 |
| Machinery and equipment     | 8 - 15                                  |
| Motor vehicles              | 10                                      |
| Office Equipment and Tools  | 3 - 10                                  |
| Other Tangible Fixed Assets | 3 - 10                                  |

Gains or losses arising from the disposal or sale of assets are recognized as the difference between the proceeds from the disposal or sale of assets and the carrying value of the asset, net of any disposal expense, and are recorded in the income statement.

**Intangible assets**

***Leasehold land rights***

Land use rights with a defined term are recorded at cost less accumulated amortization. The initial cost of land use rights includes the purchase price and directly related costs incurred to obtain the land use rights. Amortization is calculated using the straight-line method over the term of the land use rights.

***Computer software***

The cost of new computer software, which is not an integral part of related hardware, is capitalized and accounted for as an intangible asset. Computer software is amortized using the straight-line method over a period of 15 years.

Gains or losses arising from the disposal or sale of assets are recognized as the difference between the proceeds from the disposal or sale of assets and the carrying value of the asset, net of any disposal expense, and are recorded in the income statement.



**Prepaid expenses**

Prepaid expenses include capitalized office renovation costs awaiting allocation, prepaid office rent, and other prepaid expenses.

Capitalized office renovation costs are allocated to the income statement using the straight-line method over a period of 3 years. Prepaid office rent represents the amount of office rent paid in advance. Prepaid office rent is allocated to the income statement using the straight-line method over the lease term.

Other long-term prepaid expenses include repair and maintenance costs, tools, and equipment that have been issued and are expected to provide future economic benefits to the Bank. These costs are capitalized as prepaid expenses and allocated to the income statement using the straight-line method over a period of one year or more, but not exceeding three years, in accordance with current accounting regulations.

**Other assets**

***Construction in progress***

Construction in progress reflects costs incurred for the construction or development of fixed assets and intangible assets that are not yet completed or installed. Depreciation is not calculated for construction in progress during the construction and upgrade period.

***Collateral received for disposal***

Collateral received for disposal refers to pledged assets whose ownership has been transferred to the Bank. For pledged assets whose ownership has not been transferred to the Bank, the Bank monitors them off-balance sheet.

***Receivables for other assets***

Receivables for other assets are classified as other credit risk assets and are recorded at cost less any provision for risk, if applicable. These receivables are subject to the Bank's debt classification and credit risk provisioning policies as outlined in "Debt classification, allowance level and calculation method of allowance for credit losses."

***Other assets***

Other assets, excluding receivables from credit activities, are recorded at cost less provisions for on-balance sheet assets.

Provisions for on-balance-sheet assets are made based on the overdue period of the debt or the expected loss in cases where the debt is not yet due but the economic entity is bankrupt or in the process of dissolution; the debtor is missing, has fled, is being prosecuted, on a trial, or serving a sentence, or has died. Provision expenses are recorded as operating expenses in the accounting period.



For overdue assets, the Bank applies the following provisioning rates based on the overdue period:

| Overdue period                     | Provision Rate |
|------------------------------------|----------------|
| Over 6 months to less than 01 year | 30%            |
| 01 year to less than 02 years      | 50%            |
| 02 year to less than 03 years      | 70%            |
| 03 years or more                   | 100%           |

Provisions for on-balance-sheet assets are made for potential losses on debts that are not yet due, as determined by the Bank after considering the recoverability of these debts.

**Other Provisions**

A provision, excluding the provisions outlined in "Debt classification, allowance level and calculation method of allowance for credit losses," "Debt Purchase Activities," "Investment Securities," "Other Long-term Investments," and "Other Assets," is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be reliably estimated, and it is probable that future economic benefits will be reduced to settle the liabilities arising from that obligation. The provision is determined by discounting the expected future cash outflows using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks associated with the liability.

**Financial derivatives**

**Forward and currency swap contracts**

The Bank enters into forward and currency swap contracts to facilitate customers in transferring, adjusting, or reducing foreign exchange risks or other market risks, while also serving the Bank's business purposes.

Currency forward contracts are commitments to settle in cash at a future date based on the difference between predetermined exchange rates, calculated on the notional principal amount. Forward contracts are recognized at their nominal value on the transaction date and are revalued for financial reporting purposes at the spot exchange rate at the end of the financial year. They are presented at net value on the statement of financial position.

Revaluation differences at the end of the period are recorded under the "Exchange Rate Differences" item on the monthly statement of financial position and are transferred to the income statement at the end of the accounting period or upon contract maturity. The difference between the VND value of the foreign currency amount committed to buy/sell at the forward rate and the spot rate is allocated to the income statement using the straight-line method over the term of these contracts.

Currency swap contracts are commitments to buy and sell the same amount of foreign currency (only two currencies are used in the transaction) with the same counterparty, where one transaction has a spot settlement date and the other has a future settlement date. The exchange rates for both transactions are determined simultaneously at the spot transaction confirmation date. Any premium or discount arising from the difference between the spot exchange rate on the contract's effective date and the forward rate is recognized immediately on the contract's effective date as an asset if positive or a liability if negative on the statement of financial position. This difference is allocated to the income statement using the straight-line method over the term of the swap contract.

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***Interest rate swap Contracts***

Interest rate swap contracts are commitments to pay interest calculated at a floating or fixed rate on the same notional principal amount. The notional principal amount in single-currency interest rate swaps is not recognized on the statement of financial position. For dual-currency interest rate swaps with initial principal exchange, the notional principal amount is recognized on the statement of financial position. Interest income and expenses arising from the notional principal amount are recognized in the income statement on an accrual basis.

**Government and SBV liabilities**

Government and SBV liabilities are recognized at cost.

**Deposits and borrowings from other credit institutions**

Deposits and borrowings from other credit institutions are recognized at cost.

**Deposits from customers**

Deposits from customers are recognized at cost.

**Issued debt securities**

Issued debt securities are recognized at cost less any allocated premiums or discounts. The cost of issued debt securities includes the proceeds received from the issuance, net of directly attributable issuance costs.

**Other payables**

Other payables are recognized at cost.

**Severance allowance and unemployment insurance**

Under the Vietnamese Labor Code, when employees who have worked for the Bank for 12 months or more ("eligible employees") voluntarily terminate their employment contracts, the employer is required to pay severance allowance to such employees based on their years of service and their salary at the time of termination. Prior to 2012, the provision for severance allowance was made based on the number of years employees had worked for the Bank and their average salary over the six months preceding the end of the financial year. For the purpose of determining the years of service, the period during which employees had participated in unemployment insurance as required by law and the period for which the Bank had already paid severance allowance were excluded.

On 24 October 2012, the Ministry of Finance issued Circular No. 180/2012/TT-BTC ("Circular 180") providing guidance on the financial treatment of job loss allowances for employees in enterprises. This Circular stipulates that when preparing the financial statements for 2012, if the provision fund for job loss allowances has a remaining balance, the enterprise must record an increase in other income for 2012 and is not allowed to carry forward the balance of the fund for use in subsequent years. Accordingly, the Bank reversed the remaining provision for severance allowance. This change in accounting policy was applied prospectively from 2012.





Under the Social Insurance Law, effective from 01 January 2009, the Bank and its employees are required to contribute to the unemployment insurance fund managed by the Vietnam Social Security. Unemployment insurance contributions made by the Bank for employees' working periods are recognized as expenses in the income statement when incurred. With the implementation of the unemployment insurance scheme, the Bank is no longer required to make provisions for severance allowance for employees' working periods after 01 January 2009. However, severance allowance payable to eligible employees as of the end of the financial year will be determined based on the employees' years of service up to 31 December 2008, and their average salary over the six months preceding the termination date.

#### **Share capital**

##### ***Common shares***

Common shares are classified as equity and are recognized at par value. Direct costs incurred in connection with the issuance of common shares are recognized as a deduction from share premium in equity.

##### ***Share premium***

When receiving capital contributions from shareholders, the difference between the issue price and the par value of the shares is recognized in the share premium account within equity.

##### ***Reserve funds***

The Bank is required to establish the following mandatory reserve funds before distributing profits: the Charter capital supplementary reserve and the Financial reserve. These mandatory reserve funds are not distributable and are recognized as part of equity. Other funds within equity are allocated from post-tax profits. The allocation from post-tax profits and the use of other funds must be approved by the General Meeting of Shareholders.

#### **Charter capital supplementary reserve**

##### ***Before 01 July 2024***

According to Decree No. 93/2017/ND-CP ("Decree 93") issued by the Government of Vietnam on 7 August 2017, regarding the financial regime for credit institutions, the Bank annually allocates 5% of its post-tax profit to the Charter capital supplementary reserve. The maximum amount of this fund must not exceed the Bank's charter capital.

##### ***From 01 July 2024***

Under the 2024 Law on Credit Institutions, the Bank annually allocates 10% of its post-tax profit to the Charter capital supplementary reserve. The maximum amount of this fund must not exceed the Bank's charter capital.

#### **Financial reserve**

According to Decree 93, the Bank annually allocates 10% of its post-tax profit to the Financial reserve.

The Financial reserve is used to cover the remaining portion of losses or damages to assets incurred during business operations after compensation has been received from organizations or individuals responsible for the losses, from insurance organizations, and after using provision that had been made and charged to expenses. It may also be used for other purposes as prescribed by law.





***Bonus and welfare fund***

The Bonus and welfare fund is allocated from post-tax profits as decided by shareholders at the General Meeting of Shareholders. It is primarily used to reward and provide welfare benefits to the Bank's employees.

**Revenue**

***Interest income***

Interest income is recognized in the income statement on an accrual basis, except for interest from loans classified from Group 2 to Group 5 as presented in "Debt classification, allowance level and calculation method of allowance for credit losses," and loans restructured to remain in Group 1 (Standard loans) under special state policies as presented in "Debt classification, allowance level and calculation method of allowance for credit losses," which are recognized when the Bank actually receives the income.

When a loan is classified from Group 2 to Group 5 as presented in "Debt classification, allowance level and calculation method of allowance for credit losses," the accrued interest is reversed and recorded off-balance sheet. It is recognized in the income statement when collected.

When a loan remains classified as a performing loan (Group 1) due to the implementation of special state policies, the interest receivable generated during the year for that loan is not recognized as income, and the Bank monitors it off-balance sheet. Interest income from such loans is recognized in the income statement when collected.

***Service income***

Service income includes fees and commissions received from payment services, guarantee services, treasury services, and other services. It is recognized in the income statement when earned.

***Investment income***

Income from the sale of securities is recognized in the income statement upon receiving the matching notification from the Vietnam Securities Depository and Clearing Corporation (formerly the Vietnam Securities Depository Center) (for listed securities) and upon completing the asset transfer agreement (for unlisted securities). It is determined based on the difference between the selling price and the average cost of the securities sold.

Cash dividends are recognized in the income statement when the Bank's right to receive dividends is established. Dividends received in the form of shares, bonus shares, and rights to purchase shares for existing shareholders, as well as share dividend from investee' retained earnings, are not recognized as an increase in the investment value, and the income is not recorded in the income statement. When receiving dividends in the form of shares, the Bank only reports the additional number of shares in the notes to the financial statements.

Dividends received related to the period before the investment was acquired are deducted from the carrying value of the investment.



#### Interest expenses

Interest expenses is recognized in the income statement on an accrual basis.

#### Service expenses

Service expenses are recognized in the income statement when incurred.

#### Operating lease payments

Operating lease payments are recognized in the income statement on a straight-line basis over the lease term. Lease commissions received are recognized in the income statement as part of the total lease expense over the lease period.

#### Tax

Corporate income tax is calculated based on the profit of the year, including current income tax and deferred income tax. Corporate income tax is recognized in the income statement, except in cases where there are income tax items related to items recognized directly in equity. In such cases, the related income taxes are also recognized directly in equity.

Current income tax is the tax expected to be paid based on taxable income for the period, using the tax rates in effect at the end of the accounting period, and adjustments for tax payable related to previous years.

Deferred income tax is calculated based on the financial reporting method for temporary differences between the carrying amount for financial reporting purposes and the tax basis of assets and liabilities. The value of deferred income tax is recognized based on the expected manner of recovery or settlement of the carrying amounts of assets and liabilities, using tax rates in effect or substantially in effect at the end of the accounting period. Deferred tax assets are only recognized to the extent that it is probable that there will be sufficient future taxable income to utilize these tax benefits. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

The determination of corporate income tax payable and deferred income tax for the Bank is based on current tax regulations. However, these regulations change periodically, and the final determination of corporate income tax depends on the results of inspections by the competent tax authorities.

#### Related parties

Entities are considered related parties to the Bank if one party has the ability, directly or indirectly, to control the other party or to significantly influence the other party in making financial and operational decisions, or if both the Bank and the other party are subject to joint control or significant common influence. Related parties can include companies or individuals, including close family members of individuals considered related.

A party is considered related to the Bank if:

- (a) Directly or indirectly through one or more intermediaries, the party has control over or is controlled or jointly controlled by the Bank (including parents and subsidiaries), contributes capital to the Bank and therefore has significant influence over the Bank; has joint control over the Bank;



- (b) Associates (as defined in Accounting Standard No. 07 "Accounting for Investments in Associates");
- (c) Individuals who have direct or indirect voting power in the reporting enterprise that results in significant influence over the enterprise, including close family members of these individuals. Close family members of an individual are those who can influence or be influenced by that person when dealing with the enterprise, such as: Father, mother, wife, husband, children, siblings;
- (d) Key management personnel who have authority and responsibility for planning, managing and controlling the activities of the reporting enterprise, including the leaders, managers of the company and close family members of these individuals;
- (e) Enterprises in which a substantial interest in the voting power is held directly or indirectly by a person referred to in paragraph (c) or (d) or over which such a person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a key member of management in common with the reporting enterprise.

#### **Segment reporting**

A segment is a distinguishable component of the Bank that engages in providing related products or services (business segment), or provides products or services in a specific economic environment (geographical segment), and each segment is exposed to risks and earns different benefits compared to other segments. The Bank's primary segment reporting model is based on geographical areas. The secondary segment reporting model is based on business lines. Currently, the Bank mainly operates in the banking sector, including the regular provision of the following services: accepting deposits, granting credits, providing account payment services, and other banking activities. Therefore, the Board of Management believes that the Bank has only one business segment, which is banking operations, and the Bank's risk and profitability are reflected in this single business sector. As a result, the Bank is not required to present detailed segment reporting by business sector.

#### **Basic earnings per share (EPS)**

The Bank presents basic earnings per share (EPS) for its common shares. Basic earnings per share is calculated by dividing the profit or loss attributable to the common shareholders of the Bank (after deducting appropriation for bonus and welfare funds in the year) by the weighted average number of common shares outstanding during the year.

Diluted Earnings Per Share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding to reflect the potential impact of dilutive common shares, including convertible bonds and stock options. As of the reporting date and for the year ended on the same date, the Bank has no potential dilutive common shares and, therefore, does not present diluted earnings per share.

#### **Off-balance-sheet items**

##### ***Commitments and contingent liabilities***

At any given time, the Bank has undrawn credit commitments. These commitments are in the form of approved loans and overdrafts.

The Bank also provides financial guarantees and letters of credit to guarantee the performance of a customer's contract with a third party. Commitments and contingent liabilities may mature before the disbursement of part or all of the committed amounts. Therefore, these items do not represent a firm cash flow commitment in the future.





***Usance Payable at Sight (UPAS) L/C that allow the beneficiary to be paid immediately or before the L/C due date***

Before 01 July 2024, when the Bank received notification from the reimbursing bank that the payment to the beneficiary had been made, the Bank recorded the payable amount to the reimbursing bank as an other payable and recorded the receivable from the customer as other assets.

From 01 July 2024, when the reimbursing bank makes the payment to the beneficiary, the Bank shall recognize a payable to the reimbursing bank and the customer shall recognize a payable to the Bank for the amount that the reimbursing bank has paid the beneficiary under the terms of the UPAS L/C. Upon receiving notification from the reimbursing bank that the payment has been made to the beneficiary, the Bank recognizes the amount owed to the reimbursing bank as a borrowing from credit institutions and the amount owed by the customer as a loan to customers.

***Trust assets held on behalf***

Assets held for the purpose of trust management or custodianship are not considered assets of the Bank and, therefore, are not included in the Bank's financial statements.

**Nil Balances**

Items or balances as regulated under the SBV's Circular No. 49/2014/TT-NHNN dated 31 December 2014 ("Circular 49") and Circular No. 27/2021/TT-NHNN dated 31 December 2021 ("Circular 27") amending certain provisions of the financial reporting regime for credit institutions under Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 of the Governor of the SBV, and the accounting system for credit institutions, which are not reported herein shall be considered to have a zero balance.

**Financial Instruments**

For the sole purpose of providing explanatory information about the significance of financial instruments to the Bank's financial position and performance, and the nature and extent of risks arising from financial instruments, the Bank classifies financial instruments as follows:

***Financial Assets***

***Financial assets measured at fair value through profit or loss***

Financial assets that meet the following conditions are measured at fair value through profit or loss (FVTPL):

- A financial asset is held for trading if either:
  - It has been acquired principally for the purpose of selling it in the near term;
  - The Bank has evidence of a recent actual pattern of short-term profit-taking; or
  - It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).
- The financial assets designated by the Bank as FVTPL on initial recognition.

*Held-to-maturity Investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank intends and is able to hold to maturity, except for:

- Financial assets that are designated as FVTPL on initial recognition;
- Financial assets classified as available-for-sale;
- Financial assets that meet the definition of loans and receivables.

*Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, except for:

- Assets that the Bank intends to sell immediately or in the near future, classified as held for trading, or assets that are designated as FVTPL on initial recognition;
- Assets that the Bank classifies as available-for-sale at initial recognition; or
- Assets held by the Bank that are unlikely to recover a significant portion of the initial investment value, other than due to credit impairment, and are classified as available-for-sale.

*Available-for-sale Financial Assets*

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

- Financial assets measured at FVTPL;
- Held-to-maturity investments; or
- Loans and receivables.

***Financial liabilities***

*Financial liabilities measured at fair value through profit or loss*

Financial liabilities that meet the following conditions are measured at fair value through profit or loss (FVTPL):

A financial liability is held for trading if either:

- It has been acquired principally for the purpose of repurchasing it in the near term;
- The Bank has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

The financial liabilities designated by the Bank as FVTPL on initial recognition.

*Financial liabilities measured at amortised cost*

Financial liabilities that are not designated as at FVTPL are measured at amortised cost.



The classification of the above financial instruments is for presentation and disclosure purposes only, and is not intended to describe the methods for determining the value of these financial instruments. The accounting policies for measuring the value of financial instruments are presented in other related disclosures.

**Comparative Information**

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year's financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Bank's financial position, results of operations or cash flows for the prior year.

**5. CASH**

|                                    | <u>Closing balance</u> | <u>Opening balance</u> |
|------------------------------------|------------------------|------------------------|
|                                    | VND million            | VND million            |
| Cash on hand in VND                | 1,135,043              | 2,287,656              |
| Cash on hand in foreign currencies | 27,341                 | 95,106                 |
|                                    | <u>1.162.384</u>       | <u>2.382.762</u>       |

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

|   | <u>Closing balance</u> | <u>Opening balance</u> |
|---|------------------------|------------------------|
|   | VND million            | VND million            |
| Balances with the SBV in VND                | 13,401,560             | 14,416,346             |
| Balances with the SBV in foreign currencies | 967,974                | 162,098                |
|   | <u>14,369,534</u>      | <u>14,578,444</u>      |

Balances with the SBV include demand deposits and compulsory deposits. According to the regulations of the SBV, the Bank must maintain a certain reserve at the SBV in the form of compulsory reserve. The average monthly required reserve balance must not be lower than the previous month's average deposit balance multiplied by the corresponding required reserve ratio.

Required reserve ratio at the end of the financial year and the beginning of the financial year:

|  | <u>Closing balance</u> | <u>Opening balance</u> |
|--|------------------------|------------------------|
| Demand Deposits and Deposits with term of less than 12 months in VND | 3%                     | 3%                     |
| Deposits with term of 12 months or more in VND                       | 1%                     | 1%                     |
| Demand Deposits and Deposits with term of less than 12 months in USD | 8%                     | 8%                     |
| Deposits with term of 12 months or more in USD                       | 6%                     | 6%                     |





7. DEPOSITS AT AND LOANS TO OTHER CREDIT INSTITUTIONS

|  | <u>Closing balance</u>   | <u>Opening balance</u>   |
|--|--------------------------|--------------------------|
|  | VND million              | VND million              |
| <b>Deposits with other credit institutions</b>   | <b>89,027,361</b>        | <b>35,059,076</b>        |
| Demand deposits  | 2,241,091                | 757,476                  |
| - In VND   | 1,356,911                | 284,831                  |
| - In foreign currencies  | 884,180                  | 472,645                  |
| Term deposits  | 86,786,270               | 34,301,600               |
| - In VND   | 63,547,577               | 25,353,150               |
| - In foreign currencies  | 23,238,693               | 8,948,450                |
| <b>Loans to other credit institutions</b>  | <b>7,484,935</b>         | <b>526,177</b>           |
| - In VND   | 7,484,935                | 526,177                  |
| In which: Discount and rediscount loan   | 7,227,959                | 369,201                  |
| <b>Provision for credit losses of deposits with and loans to other credit institutions</b> | <b>(56,977)</b>          | <b>(57,577)</b>          |
|  | <u><b>96,455,319</b></u> | <u><b>35,527,676</b></u> |

Analysis of deposits with and loans to other credit institutions (excluding current accounts in local credit institutions, foreign banks' branches in Vietnam under prevailed regulation at each time) and loans to other credit institutions by quality:

|          | <u>Closing balance</u>   | <u>Opening balance</u>   |
|----------|--------------------------|--------------------------|
|          | VND million              | VND million              |
| Standard | 94,214,228               | 35,090,854               |
| Loss     | 56,977                   | 56,977                   |
|          | <u><b>94,271,205</b></u> | <u><b>35,147,831</b></u> |

8. HELD-FOR-TRADING SECURITIES

|  | <u>Closing balance</u> | <u>Opening balance</u> |
|--|------------------------|------------------------|
|  | VND million            | VND million            |
| <b>Other trading securities</b>                            |                        |                        |
| Investment certificate issued by foreign economic entities | 660,321                | 580,440                |
|  | <u><b>660,321</b></u>  | <u><b>580,440</b></u>  |

Listing status of held-for-trading securities:

|                                 | <u>Closing balance</u> | <u>Opening balance</u> |
|---------------------------------|------------------------|------------------------|
|                                 | VND million            | VND million            |
| <b>Other trading securities</b> |                        |                        |
| Unlisted                        | 660,321                | 580,440                |
|                                 | <u><b>660,321</b></u>  | <u><b>580,440</b></u>  |

9. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

Details of derivatives as at 31 December 2024 are as follows:

|                             | Closing balance                                |   | Opening balance                                |   |
|-----------------------------|--|---|--|---|
|                             | The total value of the contract<br>VND million | Total accounting value<br>Assets/<br>(Liabilities)<br>VND million | The total value of the contract<br>VND million | Total accounting value<br>Assets/<br>(Liabilities)<br>VND million |
| <b>Currency derivatives</b> | <b>152,634,770</b>                             | <b>26,162</b>   | <b>159,390,424</b>                             | <b>(78,736)</b>   |
| Currency forwards           | 2,052,365                                      | 28,838  | 918,457  | (16,142)  |
| Currency swaps              | 150,582,405                                    | (2,676)   | 158,471,967                                    | (62,594)  |
| <b>Other derivatives</b>    | <b>3,742,770</b>                               | <b>(17,025)</b>   | <b>4,483,185</b>                               | <b>2,950</b>  |
| Interest swaps              | 3,742,770                                      | (17,025)  | 4,483,185                                      | 2,950   |
|                             | <b>156,377,540</b>                             | <b>9,137</b>  | <b>163,873,609</b>                             | <b>(75,786)</b>   |

10. LOANS TO CUSTOMERS

|   | Closing balance<br>VND million | Opening balance<br>VND million |
|---|--------------------------------|--------------------------------|
| Loans to local economic entities and individuals                | 331,297,130                    | 274,903,245                    |
| Loans on discounting negotiable instruments and valuable papers | 10,873                         | 16,238                         |
| Loans using grants, investment entrustment                      | 297,945                        | 511,034                        |
| Payment on behalf of customers                                  | 367                            | 367                            |
|   | <b>331,606,315</b>             | <b>275,430,884</b>             |

Analysis of loan portfolio by quality:

|                 | Closing balance    |               | Opening balance    |               |
|-----------------|--------------------|---------------|--------------------|---------------|
|                 | VND million        | %             | VND million        | %             |
| Standard        | 323,148,343        | 97.45         | 268,630,841        | 97.53         |
| Special mention | 3,259,329          | 0.98          | 3,111,392          | 1.13          |
| Sub-standard    | 855,049            | 0.26          | 812,753            | 0.30          |
| Doubtful        | 1,921,132          | 0.58          | 1,706,597          | 0.62          |
| Loss            | 2,422,462          | 0.73          | 1,169,301          | 0.42          |
|                 | <b>331,606,315</b> | <b>100.00</b> | <b>275,430,884</b> | <b>100.00</b> |

Analysis of loans portfolio by original term:

|   | Closing balance<br>VND million | Opening balance<br>VND million |
|---|--------------------------------|--------------------------------|
| Short-term loans (under one year)               | 163,195,414                    | 114,751,090                    |
| Medium-term loans (from one year to five years) | 120,168,087                    | 117,315,182                    |
| Long-term loans (over five years)               | 48,242,814                     | 43,364,612                     |
|   | <b>331,606,315</b>             | <b>275,430,884</b>             |

Analysis of loan portfolio by type of businesses:

|   | Closing balance    |               | Opening balance    |               |
|---|--------------------|---------------|--------------------|---------------|
|   | VND million        | %             | VND million        | %             |
| One member limited liability companies with 100% State-owned equity | 120,136            | 0.04          | 242,550            | 0.09          |
| Other types of limited liability companies                          | 148,666,990        | 44.83         | 122,892,869        | 44.62         |
| Joint-stock companies with 50% Stated-owned equity                  | 3,253,582          | 0.98          | 3,373,000          | 1.22          |
| Other types of joint stock companies                                | 39,302,424         | 11.85         | 33,648,706         | 12.22         |
| Partnerships  | 471                | 0.00          | 599                | 0.00          |
| Private companies   | 1,230              | 0.00          | 636                | 0.00          |
| FDI enterprises   | 429                | 0.00          | -                  | 0.00          |
| Cooperatives and cooperative unions                                 | 52,817             | 0.02          | 39,394             | 0.01          |
| Administrative units, party, unions and associations                | 19,518             | 0.01          | 56,869             | 0.02          |
| Household businesses and individuals                                | 140,188,718        | 42.27         | 115,176,261        | 41.82         |
|   | <b>331,606,315</b> | <b>100.00</b> | <b>275,430,884</b> | <b>100.00</b> |

Analysis of loan portfolio by sector:

|  | Closing balance    |               | Opening balance    |               |
|--|--------------------|---------------|--------------------|---------------|
|  | VND million        | %             | VND million        | %             |
| Agriculture, forestry and aquaculture  | 26,522,985         | 8.00          | 21,381,814         | 7.76          |
| Mining   | 109,032            | 0.03          | 107,940            | 0.04          |
| Manufacturing and processing   | 30,163,735         | 9.10          | 23,272,541         | 8.45          |
| Electricity, gas, hot water, steam and air conditioning manufacturing          | 13,457,532         | 4.06          | 9,280,687          | 3.37          |
| Water supplying, waste and sewage processing and management                    | 209,745            | 0.06          | 101,788            | 0.04          |
| Construction   | 31,582,281         | 9.52          | 40,917,258         | 14.86         |
| Wholesale and retail; repair of motor vehicles, motorcycles and other vehicles | 98,962,842         | 29.84         | 59,572,371         | 21.63         |
| Accommodation and food services  | 30,837,424         | 9.30          | 23,618,699         | 8.58          |
| Transport and warehousing  | 4,275,751          | 1.29          | 1,539,252          | 0.56          |
| Information and communication  | 7,495,851          | 2.26          | 7,808,323          | 2.83          |
| Financial, banking and insurance activities                                    | 652,977            | 0.20          | 286,343            | 0.10          |
| Real estate business   | 10,136,979         | 3.06          | 13,982,476         | 5.08          |
| Scientific and technology activities   | 183,937            | 0.06          | 211,374            | 0.08          |
| Administration activities and supporting services                              | 466,779            | 0.14          | 1,157,097          | 0.42          |
| Education and training   | 39,470             | 0.01          | 67,805             | 0.02          |
| Health care and social work  | 186,240            | 0.06          | 267,549            | 0.10          |
| Art, entertainment and recreation  | 20,109,512         | 6.06          | 23,386,552         | 8.49          |
| Other service activities   | 697,856            | 0.21          | 649,714            | 0.24          |
| Household services   | 55,515,387         | 16.74         | 47,821,301         | 17.35         |
|  | <b>331,606,315</b> | <b>100.00</b> | <b>275,430,884</b> | <b>100.00</b> |



11. PROVISIONS FOR LOANS TO CUSTOMERS

Movements in provisions for loans to customers for the financial year ended 31 December 2024 are as follows:

|  | <u>General<br/>provision</u><br>VND million | <u>Specific<br/>provision</u><br>VND million | <u>Total</u><br>VND million |
|--|---|--|-----------------------------|
| Opening balance  | 2,054,762                                   | 1,403,473                                    | 3,458,235                   |
| Allowance made during the year                               | 401,977                                     | 1,552,607                                    | 1,954,584                   |
| Allowance utilised for bad debts written off during the year | -   | (1,082,722)                                  | (1,082,722)                 |
| <b>Closing balance</b>                                       | <b>2,456,739</b>                            | <b>1,873,358</b>                             | <b>4,330,097</b>            |

Movements in provisions for loans to customers for the financial year ended 31 December 2023 are as follows:

|  | <u>General<br/>provision</u><br>VND million | <u>Specific<br/>provision</u><br>VND million | <u>Total</u><br>VND million |
|--|---|--|-----------------------------|
| Opening balance  | 1,751,300                                   | 3,118,595                                    | 4,869,895                   |
| Allowance made during the year                           | 303,462                                     | 2,526,003                                    | 2,829,465                   |
| Allowance used for bad debts written off during the year | -   | (4,241,125)                                  | (4,241,125)                 |
| Others   | -   | -  | -                           |
| <b>Closing balance</b>                                   | <b>2,054,762</b>                            | <b>1,403,473</b>                             | <b>3,458,235</b>            |

12. DEBTS PURCHASED

|                               | <u>Closing balance</u><br>VND million | <u>Opening balance</u><br>VND million |
|-------------------------------|---------------------------------------|---------------------------------------|
| Debts purchased by VND        | -                                     | 21,961                                |
| Allowance for debts purchased | -                                     | (165)                                 |
|                               | <b>-</b>                              | <b>21,796</b>                         |

Principal of the debts purchased

|                                     | <u>Closing balance</u><br>VND million | <u>Opening balance</u><br>VND million |
|-------------------------------------|---------------------------------------|---------------------------------------|
| Principal amount of debts purchased | -                                     | 18,282                                |
| Interest amount of debts purchased  | -                                     | 3,679                                 |
|                                     | <b>-</b>                              | <b>21,961</b>                         |

Analysis of debts purchased by quality

|          | <u>Closing balance</u><br>VND million | <u>Opening balance</u><br>VND million |
|----------|---------------------------------------|---------------------------------------|
| Standard | -                                     | 21,961                                |
|          | <b>-</b>                              | <b>21,961</b>                         |



13. INVESTMENT SECURITIES

Available-for-sale investment securities

|   | <u>Closing balance</u>   | <u>Opening balance</u>   |
|---|--------------------------|--------------------------|
|   | VND million              | VND million              |
| <b>Debt securities</b>  | <b>58,080,339</b>        | <b>46,844,367</b>        |
| Debt securities issued by the Government and local Government (i)         | 34,258,078               | 27,708,770               |
| Debt securities issued by other domestic credit institutions (ii)         | 11,529,518               | 10,185,634               |
| <i>In which: Debt securities guaranteed by the Government</i>             | <i>2,229,518</i>         | <i>2,235,562</i>         |
| Certificate of Deposit issued by other domestic credit institutions (iii) | 12,190,743               | 8,949,963                |
| Foreign Debt securities   | 102,000                  | -                        |
| <b>Equity securities</b>  | <b>-</b>                 | <b>1</b>                 |
| Equity securities issued by other domestic credit institutions            | -                        | 1                        |
|   | <u><b>58,080,339</b></u> | <u><b>46,844,368</b></u> |

- (i) The amount of Government bonds issued by the State Treasury in VND. These bonds have term ranging from 7 years to 20 years and annual interest rates from 2.00% to 8.80% (as of 31 December 2023: maturities ranged from 5 years to 20 years with annual interest rates from 2.00% to 8.80%). Interest is paid annually.
- (ii) The amount of bonds issued by other domestic credit institutions in VND. These bonds have term ranging from 3 years to 10 years and annual interest rates from 2.30% to 5.80% (as of 31 December 2023: maturities ranged from 2 years to 10 years with annual interest rates from 2.30% to 5.80%). Interest is paid semi-annually or annually.
- (iii) The amount of certificates of deposit issued by other domestic credit institutions in VND. These certificates of deposit have term of 1 year and annual interest rates from 4.50% to 7.50% (as of 31 December 2023: maturities ranged from 1 year to 3 years with annual interest rates from 4.20% to 11.50%). Interest is paid semi-annually or annually.

Analysis of securities classified as credit risk assets by quality

|          | <u>Closing balance</u>   | <u>Opening balance</u>   |
|----------|--------------------------|--------------------------|
|          | VND million              | VND million              |
| Standard | 21,592,743               | 16,900,035               |
|          | <u><b>21,592,743</b></u> | <u><b>16,900,035</b></u> |

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14. LONG-TERM INVESTMENTS

|                             | <u>Closing balance</u><br>VND million | <u>Opening balance</u><br>VND million |
|-----------------------------|---------------------------------------|---------------------------------------|
| Other long-term investments | 548,808                               | 348,718                               |
|                             | <u>548,808</u>                        | <u>348,718</u>                        |

Details of other long-term investments:

|  | <u>Closing balance</u>     |  | <u>Opening balance</u>     |  |
|--|----------------------------|--|----------------------------|--|
|  | <u>Cost</u><br>VND million | <u>Proportion</u><br><u>owned by</u><br><u>the Bank</u><br>% | <u>Cost</u><br>VND million | <u>Proportion</u><br><u>owned by</u><br><u>the Bank</u><br>% |
| LPBank Securities Joint Stock Company    | 216,021                    | 5.50   | 15,931                     | 5.50   |
| LPBank Insurance Joint Stock Corporation | 32,787                     | 4.82   | 32,787                     | 4.82   |
| Viet Lao Power Joint Stock Company       | 300,000                    | 6.85   | 300,000                    | 6.86   |
|  | <u>548,808</u>             |  | <u>348,718</u>             |  |

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15. TANGIBLE FIXED ASSETS

Movements of tangible fixed assets in the financial year ended 31 December 2024 are as follows:

|   | Buildings, structures<br>VND million | Machinery,<br>equipment<br>VND million | Motor vehicles<br>VND million | Management tools<br>and equipment<br>VND million | Others tangible fixed<br>assets<br>VND million | Total<br>VND million |
|---|--------------------------------------|--|-------------------------------|--|--|----------------------|
| <b>Cost</b>                               |                                      |  |                               |  |  |                      |
| Opening balance                           | 730,630                              | 868,885                                | 971,692                       | 295,117  | 74,580   | 2,940,904            |
| New purchases in the year                 | -                                    | 556,750                                | 203,937                       | 22,453   | 24,715   | 807,855              |
| Disposals                                 | 64,895                               | -                                      | -                             | -  | -  | 64,895               |
| Transferred from construction in progress | -                                    | (37,709)                               | (270,532)                     | (32,974)   | (2,650)  | (343,865)            |
| Closing balance                           | <u>795,525</u>                       | <u>1,387,926</u>                       | <u>905,097</u>                | <u>284,596</u>                                   | <u>96,645</u>                                  | <u>3,469,789</u>     |
| <b>Accumulated depreciation</b>           |                                      |  |                               |  |  |                      |
| Opening balance                           | 321,198                              | 631,892                                | 553,769                       | 219,262  | 44,140   | 1,770,261            |
| Charge for the year                       | 23,852                               | 68,674                                 | 85,142                        | 14,955   | 6,435  | 199,058              |
| Disposals                                 | -                                    | (37,260)                               | (147,221)                     | (27,336)   | (2,202)  | (214,019)            |
| Transferred from construction in progress | (1,789)                              | 248                                    | 233                           | (83)   | 91   | (1,300)              |
| Closing balance                           | <u>343,261</u>                       | <u>663,554</u>                         | <u>491,923</u>                | <u>206,798</u>                                   | <u>48,464</u>                                  | <u>1,754,000</u>     |
| <b>Net book value</b>                     |                                      |  |                               |  |  |                      |
| Opening balance                           | <u>409,432</u>                       | <u>236,993</u>                         | <u>417,923</u>                | <u>75,855</u>                                    | <u>30,440</u>                                  | <u>1,170,643</u>     |
| Closing balance                           | <u>452,264</u>                       | <u>724,372</u>                         | <u>413,174</u>                | <u>77,798</u>                                    | <u>48,181</u>                                  | <u>1,715,789</u>     |



Other information about tangible fixed assets:

|  | <u>Closing balance</u> | <u>Opening balance</u> |
|--|------------------------|------------------------|
|  | VND million            | VND million            |
| Commitment to buy high-value fixed assets in the future        | 610,703                | 340,702                |
| Cost of tangible fixed assets fully amortized but still in use | 787,444                | 733,637                |

16. INTANGIBLE ASSETS

|                             | <u>Land use rights</u> | <u>Software computer</u> | <u>Total</u>     |
|-----------------------------|------------------------|--------------------------|------------------|
|                             | VND million            | VND million              | VND million      |
| <b>Cost</b>                 |                        |                          |                  |
| Opening balance             | 624,217                | 371,819                  | 996,036          |
| New purchases in the period | -                      | 262,386                  | 262,386          |
| <b>Closing balance</b>      | <b>624,217</b>         | <b>634,205</b>           | <b>1,258,422</b> |
| <b>Amortization</b>         |                        |                          |                  |
| Opening balance             | 23,686                 | 193,006                  | 216,692          |
| Charge for the year         | 3,803                  | 21,929                   | 25,732           |
| <b>Closing balance</b>      | <b>27,489</b>          | <b>214,935</b>           | <b>242,424</b>   |
| <b>Net book value</b>       |                        |                          |                  |
| Opening balance             | 600,531                | 178,813                  | 779,344          |
| <b>Closing balance</b>      | <b>596,728</b>         | <b>419,270</b>           | <b>1,015,998</b> |

Other information about special intangible assets:

|  | <u>Closing balance</u> | <u>Opening balance</u> |
|--|------------------------|------------------------|
|  | VND million            | VND million            |
| Commitment to buy high-value fixed assets in the future        | 60,723                 | 22,372                 |
| Cost of tangible fixed assets fully amortized but still in use | 61,602                 | 61,602                 |

17. OTHER ASSETS

|   | <u>Closing balance</u> | <u>Opening balance</u> |
|---|------------------------|------------------------|
|   | VND million            | VND million            |
| <b>Receivables</b>                                  | <b>1,535,761</b>       | <b>3,050,171</b>       |
| - Other receivables (Note 17.1)                     | 1,535,761              | 3,050,171              |
| <b>Interest and fee receivables</b>                 | <b>4,745,521</b>       | <b>5,037,867</b>       |
| <b>Other assets</b>                                 | <b>761,672</b>         | <b>575,737</b>         |
| - Prepaid expenses (Note 17.2)                      | 733,959                | 521,646                |
| - Other assets                                      | 27,713                 | 54,091                 |
| <b>Provision for impairment of other assets (*)</b> | <b>(6,403)</b>         | <b>(7,436)</b>         |
|   | <b>7,036,551</b>       | <b>8,656,339</b>       |

(\*) This is the provision made for bad debts in accordance with Circular No. 48/2019/TT-BTC issued on 8 August 2019 and Circular No. 24/2022/TT-BTC issued on 7 April 2022. In the year, the Bank has written off some receivables amounting to VND 1,071 million.

17.1 Other receivables

|  | <u>Closing balance</u> | <u>Opening balance</u> |
|--|------------------------|------------------------|
|  | VND million            | VND million            |
| Internal receivables   | 109,490                | 50,869                 |
| Advance for office renovation                                    | 336,417                | 123,800                |
| Advance for purchase of fixed assets                             | 311,860                | 338,951                |
| Advance for operating activities                                 | 303,200                | 388,134                |
| Receivables from insurance commission                            | 190,137                | 11,639                 |
| Advance for charity purpose (i)                                  | 82,482                 | 149,242                |
| Receivables from post offices of provinces (ii)                  | 57,240                 | 46,590                 |
| Deposit for operating activities                                 | 40,316                 | 1,614,314              |
| Receivables from UPAS L/C<br>(Usance L/C payable at sight) (iii) | -                      | 251,584                |
| Other receivables  | 104,619                | 75,048                 |
|  | <u>1,535,761</u>       | <u>3,050,171</u>       |

(i) These are advances for social charity activities, including: sponsorships for education, sponsorships for healthcare, sponsorships for disaster recovery, sponsorships for beneficiaries who are poor households, and other sponsorships as decided by the Board of Directors. As of 31 December 2024, these social charity activities have not been completed and have not been finalized.

(ii) These are receivables from post offices of provinces related to the Bank's capital mobilization and savings deposit activities. These amounts arise daily and have a payment term within 1 month.

(iii) From 1 July 2024, the Bank recognizes receivables from UPAS L/C in accordance with Circular No. 21/2024/TT-NHNN as presented in Note 3.

17.2 Prepaid expenses

|   | <u>Closing balance</u> | <u>Opening balance</u> |
|---|------------------------|------------------------|
|   | VND million            | VND million            |
| Brokerage commission fees (i)               | 194,205                | 192,553                |
| Payment for office rental                   | 73,761                 | 43,808                 |
| Head office repair and improvement expenses | 149,044                | 84,153                 |
| Other prepaid expenses                      | 316,949                | 201,132                |
|   | <u>733,959</u>         | <u>521,646</u>         |

(i) Represent commissions paid to the system of post offices directly related to lending to customers. These expenses are amortized according to the term of each loan to customer.

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18. AMOUNT DUE TO THE GOVERNMENT AND THE SBV

|   | Closing balance  | Opening balance |
|---|------------------|-----------------|
|   | VND million      | VND million     |
| <b>Borrowings from the SBV</b>              | <b>1,271,247</b> | <b>89,425</b>   |
| - Borrowings based on credit facilities     | 61,664           | 89,425          |
| - Borrowings secured by valuable papers (i) | 1,209,583        | -               |
| <b>Deposits from the State Treasury</b>     | <b>130</b>       | <b>151</b>      |
| - Deposits in VND                           | 130              | 151             |
|   | <b>1,271,377</b> | <b>89,576</b>   |

(i) The loan is collateralized by Government Bonds held by the Bank with a total par value as of 31 December 2024 of VND 1,274,003 million

19. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

|   | Closing balance    | Opening balance   |
|---|--------------------|-------------------|
|   | VND million        | VND million       |
| <b>Demand deposits from other credit institutions</b> | <b>71,842</b>      | <b>143,814</b>    |
| - In VND  | 71,834             | 143,806           |
| - In foreign currency                                 | 8                  | 8                 |
| <b>Term deposits from other credit institutions</b>   | <b>105,335,589</b> | <b>47,008,790</b> |
| - In VND  | 78,400,121         | 34,094,000        |
| - In foreign currency                                 | 26,935,468         | 12,914,790        |
| <b>Borrowings from other credit institutions</b>      | <b>9,941,580</b>   | <b>2,959,825</b>  |
| - In VND  | 7,898,051          | 1,749,890         |
| <i>In which: discount, re-discount borrowings</i>     | <i>7,192,044</i>   | <i>961,676</i>    |
| - In foreign currency                                 | 2,043,529          | 1,209,935         |
|   | <b>115,349,011</b> | <b>50,112,429</b> |

As at 31 December 2024, the Bank pledged debt securities being Government bonds and other credit institution bonds with a total face value of VND 9,950,000 million (as at 31 December 2023: VND 4,295,000 million) at other credit institutions, as collateral for placements with and loans to other credit institutions.

20. DEPOSITS FROM CUSTOMERS

|                                       | Closing balance    | Opening balance    |
|---------------------------------------|--------------------|--------------------|
|                                       | VND million        | VND million        |
| <b>Demand deposits</b>                | <b>27,721,935</b>  | <b>22,919,137</b>  |
| - In VND                              | 26,931,968         | 22,532,154         |
| - In foreign currency                 | 789,967            | 386,983            |
| <b>Term deposits</b>                  | <b>255,345,415</b> | <b>214,351,072</b> |
| - In VND                              | 255,129,020        | 214,177,382        |
| - In foreign currency                 | 216,395            | 173,690            |
| <b>Marginal deposits</b>              | <b>103,291</b>     | <b>117,514</b>     |
| - In VND                              | 103,289            | 117,512            |
| - In foreign currency                 | 2                  | 2                  |
| <b>Deposits for specific purposes</b> | <b>1,205</b>       | <b>3,886</b>       |
| - In VND                              | 396                | 357                |
| - In foreign currency                 | 809                | 3,529              |
|                                       | <b>283,171,846</b> | <b>237,391,609</b> |



Deposits from customers categorized by type of customers and economic entities are as follows:

|  | <u>Closing balance</u>    | <u>Opening balance</u>    |
|--|---------------------------|---------------------------|
|  | VND million               | VND million               |
| <b>Economic entities</b>   | <b>79,804,641</b>         | <b>63,322,060</b>         |
| State-owned enterprises  | 1,469,539                 | 1,377,889                 |
| Limited companies with 100% State-owned  | 38,326,928                | 41,262,346                |
| Limited companies with State-owned exceeding 50%                                     | 9,865                     | 9,640                     |
| Other limited companies  | 9,969,857                 | 6,248,859                 |
| Joint Stock Companies with State-owned exceeding 50%                                 | 7,782,948                 | 3,499,201                 |
| Other Joint Stock Companies  | 16,156,939                | 7,687,224                 |
| Partnership  | 833,731                   | 223,926                   |
| Private enterprises  | 24,753                    | 17,244                    |
| Foreign direct investment enterprises  | 865,881                   | 221,379                   |
| Cooperative and cooperative union  | 42,649                    | 19,072                    |
| Individual business  | 9,073                     | 3,877                     |
| Administrative and Public Non-Business Units, Party, Organizations, and Associations | 3,627,410                 | 2,173,026                 |
| Deposits from other entities   | 685,068                   | 578,377                   |
| <b>Individuals</b>   | <b>203,367,205</b>        | <b>174,069,549</b>        |
|  | <b><u>283,171,846</u></b> | <b><u>237,391,609</u></b> |

21. VALUABLE PAPERS ISSUED

|  | <u>Closing balance</u>   | <u>Opening balance</u>   |
|--|--------------------------|--------------------------|
|  | VND million              | VND million              |
| <b>Certificates of deposits in VND</b> | <b>35,022,586</b>        | <b>20,185,357</b>        |
| Below 12 months                        | 31,000,000               | 14,800,000               |
| From 12 months to 5 years              | 4,022,589                | 5,385,423                |
| Discount                               | (3)                      | (66)                     |
| <b>Bonds in VND</b>                    | <b>20,436,330</b>        | <b>27,724,524</b>        |
| From 12 months to 5 years              | 10,200,000               | 18,450,000               |
| More than 5 years                      | 10,267,450               | 9,315,454                |
| Discount                               | (31,120)                 | (40,930)                 |
|  | <b><u>55,458,916</u></b> | <b><u>47,909,881</u></b> |

As at 31 December 2024, the bank pledged debt securities being Government bonds with a total face value of VND 2,990,000 million (as at 31 December 2023: VND 3,090,000 million) at Vietnam Securities Depository and Clearing Corporation (formerly known as Vietnam Securities Depository Center) as collateral for bonds issued by the Bank.

22. OTHER LIABILITIES

|                                  | <u>Closing balance</u>  | <u>Opening balance</u>   |
|----------------------------------|-------------------------|--------------------------|
|                                  | VND million             | VND million              |
| Interest and fee payables        | 7,816,590               | 9,839,488                |
| Internal payables                | 16,020                  | 245,407                  |
| External payables<br>(Note 22.1) | 1,375,301               | 2,732,150                |
| Bonus and welfare funds          | 533,037                 | 349,453                  |
|                                  | <b><u>9,740,948</u></b> | <b><u>13,166,498</u></b> |

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22.1 External payables

|  | <u>Closing balance</u><br>VND million | <u>Opening balance</u><br>VND million |
|--|---------------------------------------|---------------------------------------|
| Payables for Vi Viet e-wallet services                                   | 43,657                                | 801,538                               |
| Tax payables (Note 38)   | 706,320                               | 1,009,556                             |
| Payables for UPAS L/C transaction<br>(Unsanctioned L/C payable at sight) | -                                     | 251,584                               |
| Amount due to customers awaiting settlement                              | 274,382                               | 235,051                               |
| Commissions fees for post office of province                             | 52,270                                | 97,015                                |
| Payables for card services   | 91,957                                | 267,859                               |
| Revenue awaiting allocation  | 14,884                                | 31,792                                |
| Payables for purchasing of fixed assets and<br>construction in progress  | 14,048                                | 3,559                                 |
| Payables for e-banking services  | 1,522                                 | 1,899                                 |
| Other payables   | 176,261                               | 32,297                                |
|  | <u>1,375,301</u>                      | <u>2,732,150</u>                      |

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23. CAPITAL AND RESERVES

23.1 Statement of changes in equity

|  | Charter capital   | Share premium | Charter capital supplementary reserve | Investment and development fund | Financial reserve | Retained earnings | Total             |
|--|-------------------|---------------|---------------------------------------|---------------------------------|-------------------|-------------------|-------------------|
|  | VND million       | VND million   | VND million                           | VND million                     | Triệu VND         | VND million       | VND million       |
| Balance as at 01 January 2024                | 25,576,164        | 57            | 1,235,154                             | 3,793                           | 2,457,089         | 4,845,143         | 34,117,400        |
| Profit for the year                          | -                 | -             | -                                     | -                               | -                 | 9,720,900         | 9,720,900         |
| Appropriation to funds for the year          | -                 | -             | 972,090                               | -                               | 972,090           | (1,944,180)       | -                 |
| Appropriation to bonus and welfare funds (*) | -                 | -             | -                                     | -                               | -                 | (500,000)         | (500,000)         |
| <b>Balance as at 31 December 2024</b>        | <b>25,576,164</b> | <b>57</b>     | <b>2,207,244</b>                      | <b>3,793</b>                    | <b>3,429,179</b>  | <b>12,121,863</b> | <b>43,338,300</b> |

(\*) The Bank appropriated funds to the bonus and welfare fund based on the 2023 Profit Distribution Plan submitted to the Annual General Meeting of Shareholders in 2024 and approved under the Resolution of the Annual General Meeting of Shareholders dated 17 April 2024.



24. INTEREST AND SIMILAR INCOME

|  | <u>Current year</u> | <u>Prior year</u> |
|--|---------------------|-------------------|
|  | VND million         | VND million       |
| Interest income from deposits                | 1,855,404           | 1,121,923         |
| Interest income from loans to customers      | 29,348,182          | 28,449,092        |
| Interest income from trading debt securities | 2,272,537           | 2,254,660         |
| Income from guarantee                        | 660,035             | 524,389           |
| Income from debt purchasing                  | 852                 | 3,587             |
| Other income from credit activities          | 24                  | -                 |
|  | <u>34,137,034</u>   | <u>32,353,651</u> |

25. INTEREST AND SIMILAR EXPENSES

|   | <u>Current year</u> | <u>Prior year</u> |
|---|---------------------|-------------------|
|   | VND million         | VND million       |
| Interest expenses for deposits                      | 14,949,435          | 16,700,017        |
| Interest expenses for borrowings                    | 181,010             | 178,172           |
| Interest expenses for issuance of valuable papers   | 2,884,485           | 3,064,227         |
| Other expenses for credit activities                | 21,645              | 20,295            |
| Brokerage commission fee for postal saving services | 706,716             | 1,187,811         |
|   | <u>18,743,291</u>   | <u>21,150,522</u> |

26. NET GAIN FROM SERVICES

|  | <u>Current year</u>     | <u>Prior year</u>       |
|--|-------------------------|-------------------------|
|  | VND million             | VND million             |
| <b>Income from services</b>                          | <b>3,594,134</b>        | <b>3,905,989</b>        |
| Settlement services                                  | 173,346                 | 182,265                 |
| Treasury services                                    | 37,941                  | 32,528                  |
| Entrusting, consulting and insurance agency services | 565,370                 | 2,689,397               |
| Other services                                       | 2,817,477               | 1,001,799               |
| <b>Expenses on services</b>                          | <b>(383,135)</b>        | <b>(340,362)</b>        |
| Settlement services                                  | (181,576)               | (181,982)               |
| Treasury services                                    | (5,418)                 | (855)                   |
| Other services                                       | (196,141)               | (157,525)               |
|  | -                       | -                       |
| <b>Net gain from services</b>                        | <u><b>3,210,999</b></u> | <u><b>3,565,627</b></u> |



27. NET GAIN FROM FOREIGN CURRENCY TRADING

|  | Current year       | Prior year         |
|--|--------------------|--------------------|
|  | VND million        | VND million        |
| <b>Income from trading foreign currencies</b>          | <b>1,653,947</b>   | <b>1,977,532</b>   |
| Income from trading spot foreign exchange              | 526,341            | 363,617            |
| Income from monetary derivative financial instruments  | 1,127,606          | 1,613,915          |
| <b>Expenses for trading foreign currencies</b>         | <b>(1,380,642)</b> | <b>(1,542,434)</b> |
| Expenses from trading spot foreign exchange            | (278,193)          | (83,867)           |
| Expenses for monetary derivative financial instruments | (1,102,449)        | (1,458,567)        |
| <b>Net gain from trading foreign currencies</b>        | <b>273,305</b>     | <b>435,098</b>     |

28. NET GAIN FROM TRADING HELD-FOR-TRADING SECURITIES

|   | Current year  | Prior year    |
|---|---------------|---------------|
|   | VND million   | VND million   |
| Income from trading held-for-trading securities | 43,021        | 30,208        |
|   | <b>43,021</b> | <b>30,208</b> |

29. NET (LOSS) FROM TRADING INVESTMENT SECURITIES

|   | Current year   | Prior year     |
|---|----------------|----------------|
|   | VND million    | VND million    |
| Gain from trading investment securities | 49             | 1,464          |
| Loss from trading investment securities | (1,511)        | (6,718)        |
|   | <b>(1,462)</b> | <b>(5,254)</b> |

30. INCOME FROM CAPITAL CONTRIBUTION AND EQUITY INVESTMENTS IN OTHER ENTITIES

|   | Current year  | Prior year    |
|---|---------------|---------------|
|   | VND million   | VND million   |
| Dividends and profits received in the year from capital contribution: | 75,017        | 49,345        |
| - From long-term capital contribution and investments                 | 75,017        | 49,345        |
|   | <b>75,017</b> | <b>49,345</b> |

31. NET GAIN FROM OTHER ACTIVITIES

|                                       | Current year     | Prior year       |
|---------------------------------------|------------------|------------------|
|                                       | VND million      | VND million      |
| <b>Income from other activities</b>   | <b>1,246,273</b> | <b>490,524</b>   |
| Gain from disposal of assets          | 118,655          | 16,163           |
| Income from debts written off         | 945,522          | 376,721          |
| Income from interest rate swaps       | 161,869          | 74,493           |
| Other incomes                         | 20,227           | 23,147           |
| <b>Expenses on other activities</b>   | <b>(308,466)</b> | <b>(143,372)</b> |
| Expenses from interest rate swaps     | (155,694)        | (63,874)         |
| Other expenses                        | (152,772)        | (79,498)         |
| <b>Net gain from other activities</b> | <b>937,807</b>   | <b>347,152</b>   |

32. OPERATING EXPENSES

|  | Current year<br>VND million | Prior year<br>VND million |
|--|-----------------------------|---------------------------|
| 1. Taxes, duties and fees                        | 128,709                     | 156,982                   |
| 2. Staff costs                                   | 3,150,672                   | 3,233,810                 |
| In which:  |                             |                           |
| - <i>Salaries and allowances</i>                 | 2,728,178                   | 2,793,324                 |
| - <i>Salary-based expenses</i>                   | 265,565                     | 271,746                   |
| - <i>Severance allowances</i>                    | 4,104                       | 3,868                     |
| - <i>Other staff costs</i>                       | 152,825                     | 164,872                   |
| 3. Expenses on assets                            | 1,173,005                   | 1,023,185                 |
| In which:  |                             |                           |
| - <i>Depreciation and amortization</i>           | 224,790                     | 253,705                   |
| - <i>Rental expenses</i>                         | 568,282                     | 488,567                   |
| - <i>Other expenses</i>                          | 379,933                     | 280,913                   |
| 4. Expenses related to public affairs management | 1,054,423                   | 1,097,649                 |
| In which:  |                             |                           |
| - <i>Per diem</i>                                | 22,150                      | 24,048                    |
| - <i>Expenses related to union activities</i>    | 335                         | 505                       |
| - <i>Other expenses on management activities</i> | 1,031,938                   | 1,073,096                 |
| 5. Insurance expenses on deposits of customers   | 281,854                     | 236,979                   |
| 6. Other provision expenses                      | 38                          | 351                       |
| 7. Other operating expenses                      | 21,742                      | 10,916                    |
|  | <b>5,810,443</b>            | <b>5,759,872</b>          |

33. PROVISION EXPENSES FOR CREDIT LOSSES

|  | Current period<br>VND million | Prior period<br>VND million |
|--|-------------------------------|-----------------------------|
| (Reverse) of allowances for loan losses of other credit institutions (Note 07) | (600)                         | (621)                       |
| Allowances for loan losses of customers (Note 11)                              | 1,954,584                     | 2,829,465                   |
| (Reverse) of allowances for loan losses of debt purchased (Note 12)            | (165)                         | (2,804)                     |
|  | <b>1,953,819</b>              | <b>2,826,040</b>            |



34. CURRENT CORPORATE INCOME TAX EXPENSE ("CIT")

|   | Current year      | Prior year       |
|---|-------------------|------------------|
|   | VND million       | VND million      |
| <b>Profit before tax</b>                              | <b>12,168,168</b> | <b>7,039,393</b> |
| <i>Less:</i>  |                   |                  |
| Non-taxable income                                    | (75,015)          | (49,345)         |
| <i>Add:</i>   |                   |                  |
| Other non-deductible expenses                         | 49,615            | 292,242          |
| <b>Taxable income</b>                                 | <b>12,142,768</b> | <b>7,282,290</b> |
| CIT rate  | 20%               | 20%              |
| CIT expenses based on tax rate                        | 2,428,554         | 1,455,900        |
| Adjustments for income tax differences in prior years | 18,714            | 11,247           |
| <b>Total CIT for the year</b>                         | <b>2,447,268</b>  | <b>1,467,147</b> |
| <b>CIT payable at the beginning of the year</b>       | <b>972,900</b>    | <b>804,800</b>   |
| CIT paid during the year                              | (2,740,215)       | (1,299,047)      |
| <b>CIT payable at the end of the year</b>             | <b>679,953</b>    | <b>972,900</b>   |

35. BASIC EARNINGS PER SHARE

Net income for calculating basic earnings per share

|  | Current year     | Prior year<br>(Restated) |
|--|------------------|--------------------------|
|  | VND million      | VND million              |
| Profit after tax   | 9,720,900        | 5,572,246                |
| Appropriation of other funds (excluding charter capital supplemental reserve fund, charter capital supplemental reserve fund, financial reserve fund and other equity funds) (*) | -                | (500,000)                |
| <b>Profits distributed to shareholders owning common shares</b>  | <b>9,720,900</b> | <b>5,072,246</b>         |

(\*) The previous year's bonus and welfare fund appropriation are according to the Bank's Board of Directors' Resolution approved in 2024

At the date of these financial statements, the Bank has not made an estimate of the amount of the bonus and welfare fund appropriation for the year ended 31 December 2024. As a result, the basic earnings per share calculation excludes 2024 bonus and welfare fund appropriation. The actual amount of profit distribution to the welfare reward fund for the year ended 31 December 2024 will be approved during the 2025 General Meeting of Shareholders and therefore the above basic earnings per share might be adjust accordingly.

**Number of ordinary shares for basic earning calculation**

According to the guidance in Vietnam Accounting Standard No. 30 – Earnings per share, the Bank is required to retrospectively adjust "Basic earnings per share" for all reporting periods if the number of outstanding ordinary shares increases due to capitalization, issuance of bonus shares, share splitting or decrease due to reserve share splits, including changes that occur after the end of the financial year but before the date the financial statement issue.

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According to the Resolution of the Extraordinary General Meeting of Shareholders in 2024 dated 16 November 2024, the 2023 profit distribution plan was approved as outlined in Proposal No. 2820/2024/TTr-HĐQT dated 29 August 2024 submitted by the Bank's Board of Directors. The plan included the issuance of shares to pay dividends for 2023 at a rate of 16.8%. On 7 January 2025, the Bank completed the issuance of an additional 429,665,684 shares to pay dividends. As a result, the basic earnings per share (EPS) for the financial year ending 31 December 2023 has been restated as follows:

|  | <u>Current year</u>  | <u>Prior year</u>    |
|--|----------------------|----------------------|
|  | Shares               | Shares               |
| Ordinary shares issued at the beginning of the year                                  | 2,557,616,416        | 1,729,105,369        |
| Effect of the number of ordinary shares issued to pay share dividends in 2023        | -                    | 328,511,047          |
| Issuance of shares private placement in 2023   | -                    | 82,191,781           |
| Effects of the number of ordinary shares issued to pay share dividends in 2024       | 429,665,684          | 429,665,684          |
| <b>The weighted average of common shares for calculating basic earning per share</b> | <b>2,987,282,100</b> | <b>2,569,473,881</b> |

Basic earnings per share:

|                          | <u>Current year</u> | <u>Prior year</u> |
|--------------------------|---------------------|-------------------|
|                          | VND                 | (Restated)<br>VND |
| Basic earnings per share | 3,254               | 1,974             |
|                          | <b>3,254</b>        | <b>1,974</b>      |

The figures of basic earnings per share for the year ended 31 December 2023 are restated as follows:

|  | <u>Prior year</u> | <u>Prior year</u>         |
|--|-------------------|---------------------------|
|  | VND million       | (Restated)<br>VND million |
| Profits distributed to shareholders owning common shares (VND million)                 | 5,572,246         | 5,072,246                 |
| The weighted average of common shares for calculating basic earning per share (shares) | 2,139,808,197     | 2,569,473,881             |
| <b>Basic earning per share (VND)</b>   | <b>2,604</b>      | <b>1,974</b>              |

36. CASH AND CASH EQUIVALENTS

|  | <u>Closing balance</u> | <u>Opening balance</u> |
|--|------------------------|------------------------|
|  | VND million            | VND million            |
| Cash   | 1,162,384              | 2,382,762              |
| Balances with the SBV                        | 14,369,534             | 14,578,444             |
| Deposits with other credit institutions      | 89,027,361             | 35,059,076             |
| - Demand deposits                            | 2,241,091              | 757,476                |
| - Term deposit with term of 3 months or less | 86,786,270             | 34,301,600             |
|  | <b>104,559,279</b>     | <b>52,020,282</b>      |

37. EMPLOYEES' INCOME

|   | Current year | Prior year |
|---|--------------|------------|
| I. Total number of employees at the end of the year (persons)     | 11,189       | 10,627     |
| Average number of employees during the year (persons)             | 11,505       | 11,180     |
| II. Employees' income (VND million)                               |              |            |
| 1. Salary and allowances  | 2,728,178    | 2,793,324  |
| 2. Allowances   | 269,669      | 275,614    |
| 3. Other income   | 152,825      | 164,872    |
| 4. Total income (1+2+3)   | 3,150,672    | 3,233,810  |
| 5. Average monthly income per employee (VND million/person/month) | 19.76        | 20.82      |
| 6. Average monthly income (VND million/person/month)              | 22.82        | 24.10      |

38. THE BANK'S OBLIGATIONS TO THE STATE BUDGET

|                      | Opening balance  | During the period      |                     | Closing balance |
|----------------------|------------------|------------------------|---------------------|-----------------|
|                      | VND million      | Payable<br>VND million | Paid<br>VND million | VND million     |
| Value-added tax      | 11,228           | 333,256                | (332,395)           | 12,089          |
| Corporate income tax | 972,900          | 2,447,268              | (2,740,215)         | 679,953         |
| Other taxes          | 25,428           | 274,787                | (285,937)           | 14,278          |
|                      | <b>1,009,556</b> | <b>3,055,311</b>       | <b>(3,358,547)</b>  | <b>706,320</b>  |

39. TYPES AND VALUE OF COLLATERAL AND MORTGAGES

Assets, valuable papers received as mortgages, pledges and discounts, rediscounts

|                       | Closing balance<br>VND million | Opening balance<br>VND million |
|-----------------------|--------------------------------|--------------------------------|
| Investment securities | 18,485,403                     | 12,185,000                     |
|                       | <b>18,485,403</b>              | <b>12,185,000</b>              |

Assets, valuable papers used for mortgages, pledges and discounts, rediscounts

|                 | Closing balance<br>VND million | Opening balance<br>VND million |
|-----------------|--------------------------------|--------------------------------|
| Real estate     | 481,917,353                    | 327,973,063                    |
| Movable estate  | 16,406,526                     | 8,148,299                      |
| Valuable papers | 93,080,955                     | 95,889,324                     |
| Other assets    | 377,848,903                    | 380,200,274                    |
|                 | <b>969,253,737</b>             | <b>812,210,960</b>             |

40. TRUST AND AGENCY ACTIVITIES FOR CREDIT INSTITUTIONS

|                        | Closing balance<br>VND million | Opening balance<br>VND million |
|------------------------|--------------------------------|--------------------------------|
| Other trust activities | 4,707,967                      | 4,707,967                      |
|                        | <b>4,707,967</b>               | <b>4,707,967</b>               |



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41. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

|   | <u>Closing balance</u><br>VND million | <u>Opening balance</u><br>VND million |
|---|---------------------------------------|---------------------------------------|
| Credit guarantees                             | 47,370                                | 55,340                                |
| Foreign currency commitments                  | 173,657,384                           | 162,150,751                           |
| <i>Foreign currency purchased commitments</i> | 5,678,169                             | -                                     |
| <i>Foreign currency sale commitments</i>      | 4,148,345                             | 2,902,200                             |
| <i>Swap commitments</i>                       | 163,830,870                           | 159,248,551                           |
| Letters of credit commitments                 | 484,545                               | 676,398                               |
| Other guarantees                              | 3,017,938                             | 1,706,763                             |
| Other commitments                             | 5,526,892                             | 4,486,870                             |
|   | <u>182,734,134</u>                    | <u>169,076,122</u>                    |

42. UNCOLLECTED INTEREST FROM LOANS AND FEE RECEIVABLES

|                                 | <u>Closing balance</u><br>VND million | <u>Opening balance</u><br>VND million |
|---------------------------------|---------------------------------------|---------------------------------------|
| Loan interest not yet collected | 1,799,827                             | 1,232,715                             |
| Fees not yet collected          | 5,576                                 | 3,011                                 |
|                                 | <u>1,805,403</u>                      | <u>1,235,726</u>                      |

43. BAD DEBTS WRITTEN-OFF

|   | <u>Closing balance</u><br>VND million | <u>Opening balance</u><br>VND million |
|---|---------------------------------------|---------------------------------------|
| Principal amount of bad debts written-off under surveillance period | 7,400,426                             | 7,138,374                             |
| Interest amount of bad debts written-off under surveillance period  | 3,713,443                             | 3,511,401                             |
| Other bad debts written-off   | 1,105                                 | 34                                    |
|   | <u>11,114,974</u>                     | <u>10,649,809</u>                     |

44. OTHER ASSETS AND PAPERS

|                             | <u>Closing balance</u><br>VND million | <u>Opening balance</u><br>VND million |
|-----------------------------|---------------------------------------|---------------------------------------|
| Other assets held on behalf | 1,560,377                             | 2,322,992                             |
|                             | <u>1,560,377</u>                      | <u>2,322,992</u>                      |

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45. RELATED PARTY TRANSACTIONS AND BALANCES

Details of significant balances with related parties as at 31 December 2024 are as follows:

| Related parties  | Description                         | Closing balance | Opening balance |
|--|-------------------------------------|-----------------|-----------------|
|  |                                     | VND million     | VND million     |
| Vietnam Post Corporation   | Demand and Term deposits            | (779,126)       | (921,265)       |
|  | Other receivables                   | 57,240          | 46,590          |
|  | Interest payables for Term deposits | (11,887)        | (13,439)        |
| LPBank Securities Joint Stock Company  | Demand and Term deposits            | (1,286,314)     | (215,795)       |
|  | Interest payables for Term deposits | (937)           | (2,799)         |
|  | Loan to customers                   | 451,939         | -               |
| LPBank Insurance Joint Stock Corporation   | Demand and Term deposits            | (1,419,586)     | (856,271)       |
|  | Interest payables for Term deposits | (2,646)         | (442)           |
| Xuan Thanh Construction Investment and Development Company Limited               | Demand and Term deposits            | (214,794)       | (48,119)        |
|  | Interest payables for Term deposits | -               | (1)             |
| Xuan Thanh Cement Joint Stock Company  | Demand and Term deposits            | (512,563)       | (68,957)        |
|  | Loan to customers                   | 646,182         | -               |
| Xuan Thanh Trading Investment Company Limited                                    | Demand and Term deposits            | (1,343)         | (1,420)         |
| My Hanh Company Limited  | Demand and Term deposits            | (175)           | (577)           |
| Xuan Thanh Economic Corporation Joint Stock Company                              | Demand and Term deposits            | (120)           | (32)            |
| Duc Binh Construction and Trading One Member Co., Ltd                            | Demand and Term deposits            | (6)             | (12)            |
| BVM Ninh Binh Company Limited  | Demand and Term deposits            | (739)           | (2)             |
| Members of the Board of Directors, Board of Supervisors, and Board of Management | Demand and Term deposits            | (22,917)        | (57,163)        |
|  | Interest payables for Term deposits | (136)           | (500)           |

Transactions with related parties for the year ended 31 December 2024 are as follows:

| Related parties  | Description       | Current year | Prior year  |
|--|-------------------|--------------|-------------|
|  |                   | VND million  | VND million |
| Vietnam Post Corporation   | Interest expenses | (46,723)     | (16,036)    |
| LPBank Securities Joint Stock Company  | Interest expenses | (37,964)     | (10,067)    |
| LPBank Insurance Joint Stock Corporation   | Interest expenses | (10,184)     | (703)       |
| Members of the Board of Directors, Board of Supervisors, and Board of Management | Interest expenses | (1,270)      | (161)       |



Details of salaries and allowances of the members of the Board of Directors, Board of Supervisors and Board of Directors are as follows:

| Name  | Title                      | Appointed/<br>Resigned date      | Current year<br>VND million | Prior year<br>VND million |
|---|----------------------------|----------------------------------|-----------------------------|---------------------------|
| <b>Member of Board of Directors</b>                 |                            |                                  |                             |                           |
| Mr. Nguyen Duc Thuy                                 | Chairman                   |                                  | -                           | -                         |
| Mr. Nguyen Van Thuy                                 | Vice Chairman              |                                  | 1,200                       | 824                       |
| Mr. Pham Doan Son                                   | Standing Vice<br>Chairman  | Resigned on 23 April<br>2023     | -                           | 1,258                     |
| Mr. Ho Nam Tien                                     | Standing Vice<br>Chairman  | Appointed on 04 October<br>2024  | 1,200                       | 824                       |
| Mr. Bui Thai Ha                                     | Vice Chairman              |                                  | 1,200                       | 824                       |
| Mr. Duong Cong Toan                                 | Vice Chairman              | Resigned on 23 April<br>2023     | -                           | 1,258                     |
| Mr. Huynh Ngoc Huy                                  | Member                     |                                  | 1,200                       | 2,083                     |
| Mr. Le Hong Phong                                   | Member                     | Resigned on 16<br>November 2024  | 1,052                       | 2,011                     |
| Mr. Le Minh Tam                                     | Independent<br>Member      | Resigned on 16<br>November 2024  | 1,052                       | 824                       |
| Mr. Pham Phu Khoi                                   | Independent<br>Member      | Appointed on 16<br>November 2024 | 148                         | -                         |
| Ms. Vuong Thi Huyen                                 | Independent<br>Member      | Appointed on 16<br>November 2024 | 148                         | -                         |
| Ms. Duong Hoai Lien                                 | Independent<br>Member      | Resigned on 23 April<br>2023     | -                           | 712                       |
| <b>Board of Supervisors</b>                         |                            |                                  | <b>2,617</b>                | <b>2,785</b>              |
| <b>Board of Management and<br/>Chief Accountant</b> |                            |                                  |                             |                           |
| Mr. Vu Quoc Khanh                                   | Chief Executive<br>Officer | Appointed on 25<br>February 2025 | 1,017                       | 1,346                     |
| Mr. Ho Nam Tien                                     | Chief Executive<br>Officer | Resigned on 04 October<br>2024   | 913                         | 1,705                     |
| Mr. Pham Doan Son                                   | Chief Executive<br>Officer | Resigned on 17 March<br>2023     | -                           | 1,631                     |
| Salaries of other key<br>management personnel       |                            |                                  | 7,504                       | 15,065                    |

46. GEOGRAPHICAL STRUCTURE OF ASSETS, LIABILITIES AND OFF-BALANCE-SHEET ITEMS AS AT 31 DECEMBER 2024

|          | Total loan<br>balance and<br>debts<br>purchased<br>VND million | Total<br>deposits at<br>SBV and<br>other credit<br>institutions<br>VND million | Total deposits and<br>loans from other<br>credit institutions,<br>valuable papers<br>issued to other<br>credit institutions<br>VND million | Total<br>deposits<br>from<br>customers<br>VND million | Credit<br>commitments<br>VND million | Derivatives<br>(Total<br>contract<br>value)<br>VND million | Trading and<br>investment<br>securities<br>VND million |
|----------|--|--|--|---|--------------------------------------|--|--|
| Domestic | 331,606,315  | 110,120,359  | 170,036,425  | 282,806,123   | -                                    | 156,377,540  | 58,080,340   |
| Overseas | -  | 761,471  | 2,042,879  | 365,723   | 484,550                              | -  | 660,320  |

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47. SEGMENT REPORT

|   | Northern area       | Central area       | Southern area      | Not segmented       | Total               |
|---|---------------------|--------------------|--------------------|---------------------|---------------------|
|   | VND million         | VND million        | VND million        | VND million         | VND million         |
| <b>I. Income</b>  | <b>17,649,999</b>   | <b>7,184,676</b>   | <b>8,399,015</b>   | <b>43,763,425</b>   | <b>76,997,115</b>   |
| 1. Interest income  | 16,869,073          | 6,689,134          | 7,261,877          | 39,564,590          | 70,384,674          |
| <i>Interest income from external parties</i>  | <i>6,217,858</i>    | <i>4,084,106</i>   | <i>5,099,509</i>   | <i>18,735,561</i>   | <i>34,137,034</i>   |
| <i>Internal interest income</i>   | <i>10,651,215</i>   | <i>2,605,028</i>   | <i>2,162,368</i>   | <i>20,829,029</i>   | <i>36,247,640</i>   |
| 2. Income from services   | 457,062             | 341,337            | 438,480            | 2,357,255           | 3,594,134           |
| 3. Other operating income   | 323,864             | 154,205            | 698,658            | 1,841,580           | 3,018,307           |
| <b>II. Expenses</b>   | <b>(14,667,331)</b> | <b>(5,647,962)</b> | <b>(6,048,912)</b> | <b>(36,510,923)</b> | <b>(62,875,128)</b> |
| 1. Interest expenses  | (12,806,529)        | (4,625,529)        | (4,822,639)        | (32,736,234)        | (54,990,931)        |
| <i>Interest expenses from external customers</i>  | <i>(8,573,860)</i>  | <i>(2,056,620)</i> | <i>(1,598,519)</i> | <i>(6,514,292)</i>  | <i>(18,743,291)</i> |
| <i>Internal interest expenses</i>   | <i>(4,232,669)</i>  | <i>(2,568,909)</i> | <i>(3,224,120)</i> | <i>(26,221,942)</i> | <i>(36,247,640)</i> |
| 2. Depreciation and amortization expenses   | (47,872)            | (36,468)           | (33,060)           | (107,390)           | (224,790)           |
| 3. Other expenses directly related to operation   | (1,812,930)         | (985,965)          | (1,193,213)        | (3,667,299)         | (7,659,407)         |
| <b>Net profit from operating activities before provision expenses for credit losses</b> | <b>2,982,668</b>    | <b>1,536,714</b>   | <b>2,350,103</b>   | <b>7,252,502</b>    | <b>14,121,987</b>   |
| Provision expenses for credit losses  | 119,377             | (136,710)          | (403,252)          | (1,533,234)         | (1,953,819)         |
| <b>Profit before tax</b>  | <b>3,102,045</b>    | <b>1,400,004</b>   | <b>1,946,851</b>   | <b>5,719,268</b>    | <b>12,168,168</b>   |
| Current corporate income tax expense  | -                   | -                  | -                  | (2,447,268)         | (2,447,268)         |
| <b>Profit after tax</b>   | <b>3,102,045</b>    | <b>1,400,004</b>   | <b>1,946,851</b>   | <b>3,272,000</b>    | <b>9,720,900</b>    |
| <b>III. Assets</b>  | <b>185,733,725</b>  | <b>46,441,309</b>  | <b>53,821,404</b>  | <b>222,333,960</b>  | <b>508,330,398</b>  |
| 1. Cash   | 562,571             | 261,599            | 338,214            | -                   | 1,162,384           |
| 2. Fixed assets   | 177,654             | 128,746            | 98,315             | 2,327,072           | 2,731,787           |
| 3. Other assets   | 184,993,500         | 46,050,964         | 53,384,875         | 220,006,888         | 504,436,227         |
| <b>IV. Liabilities</b>  | <b>182,631,680</b>  | <b>45,041,305</b>  | <b>51,874,552</b>  | <b>185,444,561</b>  | <b>464,992,098</b>  |
| 1. Payables to external parties   | 182,625,074         | 45,037,713         | 51,865,236         | 184,900,603         | 464,428,626         |
| 2. Internal payables  | 2,511               | 1,046              | 1,318              | 10,673              | 15,548              |
| 3. Other payables   | 4,095               | 2,546              | 7,998              | 533,285             | 547,924             |



48. RISK MANAGEMENT POLICIES RELATED TO FINANCIAL INSTRUMENTS

**Risk management policies related to financial instruments**

The Bank is exposed to the following risks from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note provides information about the risks the Bank may face for each type of risk, the Bank's objectives, policies, and procedures for assessing and managing risks, and the Bank's capital management.

**Risk management policies**

Based on the recommendations of the Risk Management Committee, the Bank's Board of Directors oversees the Chief Executive Officer in establishing and implementing risk management policies; addressing and resolving shortcomings and limitations in risk management in accordance with the requirements and recommendations of the SBV, independent audit organizations, and other regulatory authorities.

The Chief Executive Officer supervises individuals and departments based on the recommendations of the Risk Committee, Risk and Debt Resolution Committee, ALCO Committee, and Capital Management Committee in developing and implementing the Bank's risk management policies, regulations, and procedures for each management area.

The Bank's risk management policies are established to identify and analyze the risks the Bank faces, set appropriate risk limits and control measures, and monitor risks and compliance with limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions, products, and services offered by the Bank. Through training activities, standards, and management systems, the Bank aims to develop a disciplined and proactive control environment where all employees understand their roles and responsibilities.

**Credit risk**

The Bank is exposed to credit risk in lending, investing, acting as an intermediary on behalf of customers or third parties, and providing guarantees.

The risk of counterparties defaulting on their obligations is continuously monitored. To manage credit risk, the Bank prioritizes transactions with highly creditworthy counterparties and, where appropriate, requires collateral.

The primary credit risk the Bank faces arises from loans and advances. The extent of this credit risk is reflected in the carrying value of assets on the financial position statement. Additionally, the Bank faces off-balance sheet credit risk in the form of credit commitments and guarantees.

The concentration of credit risk (on- or off-balance-sheet) arises from financial instruments held with groups of counterparties that have similar economic characteristics, which may result in their ability to meet obligations being similarly affected by changes in economic or other conditions.

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

- Establishing an appropriate credit risk management environment;
- Operating under a sound credit-granting process;
- Maintaining an appropriate credit management, measurement, and monitoring process; and
- Ensuring adequate control over credit risk.

Credit risk management and control are implemented through relevant policies and procedures, including the credit risk management policy and the operations of the Risk Committee, Risk and Debt Resolution Committee, and Credit Committee. The Bank classifies customer and other credit institution debts based on Circular 31, regularly assessing the risk of problematic and non-performing loans and proposing appropriate resolution measures.

To manage credit risk, the Bank uses tools such as developing policies and issuing regulations related to credit risk management, establishing credit processes, conducting credit risk reviews, building credit rating and debt classification systems, and delegating authority in credit operations.

Depending on the level of risk, the Bank conducts credit approval through individual-level approvals at the Business Unit and Risk Management Division to ensure that each credit application is reviewed objectively, independently, and in compliance. The authority granted to individuals at the Business Unit is periodically reviewed and adjusted by the Bank.

Financial assets "Not overdue and not impaired" of the Bank include Group 1 debts not overdue as per Circular 31 and Decree 86, securities, receivables, and other financial assets not overdue and not subject to provisioning. The Bank's Board of Management assesses that the Bank is fully capable of collecting these financial assets in full and on time in the future.

Financial Assets "Overdue but not impaired" primarily include customer loans classified from Group 2 to Group 5 under Circular 31 and Decree 86 but not subject to provisioning because the Bank holds sufficient collateral to cover credit losses as per current SBV regulations.

Financial Assets "Overdue and impaired" include customer loans, loans to other credit institutions classified from Group 2 to Group 5, and overdue receivables as per Circular 31 and Decree 86, which require provisioning and have been provisioned by the Bank.

The figures represent the Bank's maximum on-balance sheet credit risk exposure, excluding collateral or credit support, include:

On 31 December 2024:

|   | Not overdue and not<br>impaired | Overdue but not impaired      |                                |                                    |                          | Overdue and<br>impaired | Total              |
|---|---------------------------------|-------------------------------|--------------------------------|------------------------------------|--------------------------|-------------------------|--------------------|
|   |                                 | From 10 to 90<br>days overdue | From 91 to 180<br>days overdue | From 181 to<br>360 days<br>overdue | Over 360 days<br>overdue |                         |                    |
|   | VND million                     | VND million                   | VND million                    | VND million                        | VND million              | VND million             | VND million        |
| Deposits with and loans to other credit<br>institutions (*) | 94,214,228                      | -                             | -                              | -                                  | -                        | 56,977                  | 94,271,205         |
| Loan to customers (*)                                       | 323,148,343                     | 1,699,746                     | 173,347                        | 146,716                            | 193,419                  | 6,244,744               | 331,606,315        |
| Investment securities                                       | 21,592,743                      | -                             | -                              | -                                  | -                        | -                       | 21,592,743         |
|   | <b>438,955,314</b>              | <b>1,699,746</b>              | <b>173,347</b>                 | <b>146,716</b>                     | <b>193,419</b>           | <b>6,301,721</b>        | <b>447,470,263</b> |

(\*) Excluding provision



**FORTUNE VIETNAM JOINT STOCK COMMERCIAL BANK**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

As of 31 December 2024, the bad debt ratio based on the customer's debt status at the bank is 1.57% (as of 31 December 2023, it is 1.34%). The details of the classification of assets with credit risk according to the customer's debt status at the bank are as follows:

|                 | Loan to<br>customers | Debt<br>purchased | Trading and<br>Investment<br>securities (*) | Deposits<br>with and<br>loans to<br>other credit<br>institutions<br>(**) | Total              |
|-----------------|----------------------|-------------------|---|--|--------------------|
|                 | VND million          | VND million       | VND million                                 | VND million  | VND million        |
| Standard        | 323,148,343          | -                 | 21,592,743                                  | 94,214,228   | 438,955,314        |
| Special mention | 3,259,329            | -                 | -   | -  | 3,259,329          |
| Sub-standard    | 855,049              | -                 | -   | -  | 855,049            |
| Doubtful        | 1,921,132            | -                 | -   | -  | 1,921,132          |
| Loss            | 2,422,462            | -                 | -   | 56,977   | 2,479,439          |
|                 | <u>331,606,315</u>   | <u>-</u>          | <u>21,592,743</u>                           | <u>94,271,205</u>  | <u>447,470,263</u> |

(\*) Excluding foreign investment certificate, Government bonds, Government guaranteed bonds and listed bonds issued by other credit institution.

(\*\*) Excluding demand deposits.

**Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to exchange rate fluctuations. The Bank was established and operates in Vietnam with VND as its reporting currency. The Bank's main transaction currency is also VND. The Bank's asset-liability structure includes different foreign currencies such as USD, EUR, AUD, etc., which leads to currency risk. The Bank has set position limits for each currency based on the Bank's internal risk assessment system and the regulations of the SBV. The currency position is managed on a daily basis and the Bank uses a risk hedging strategy to ensure that the currency position is maintained within the established limits.



The table below presents the carrying amount of assets and liabilities by currency as at 31 December 2024:

|  | VND<br>VND million | Converted EUR<br>VND million | Converted USD<br>VND million | Converted other<br>currencies<br>VND million | Total<br>VND million |
|--|--------------------|------------------------------|------------------------------|--|----------------------|
| <b>Assets</b>  |                    |                              |                              |  |                      |
| Cash on hand   | 1,135,043          | 106                          | 27,235                       | -  | 1,162,384            |
| Balances with the SBV  | 13,401,560         | -                            | 967,974                      | -  | 14,369,534           |
| Deposits with and loans to other credit institutions (*)           | 72,389,423         | 37,957                       | 24,019,746                   | 65,170                                       | 96,512,296           |
| Trading securities   | -                  | -                            | 660,321                      | -  | 660,321              |
| Derivatives and other financial assets                             | 9,137              | -                            | -                            | -  | 9,137                |
| Loan to customers and debts purchased (*)                          | 327,373,041        | -                            | 4,229,995                    | 3,279  | 331,606,315          |
| Investment securities  | 58,080,339         | -                            | -                            | -  | 58,080,339           |
| Long-term investments  | 548,808            | -                            | -                            | -  | 548,808              |
| Fixed assets   | 2,731,787          | -                            | -                            | -  | 2,731,787            |
| Other assets (*)   | 6,827,747          | 435                          | 214,755                      | 17   | 7,042,954            |
| <b>Total assets</b>  | <b>482,496,885</b> | <b>38,498</b>                | <b>30,120,026</b>            | <b>68,466</b>                                | <b>512,723,875</b>   |
| <b>Liabilities</b>   |                    |                              |                              |  |                      |
| Deposits and borrowings from the SBV and other credit institutions | 87,641,383         | -                            | 28,975,726                   | 3,279  | 116,620,388          |
| Deposits from customers  | 282,164,673        | 10,728                       | 957,859                      | 38,586                                       | 283,171,846          |
| Valuable paper issued  | 55,458,916         | -                            | -                            | -  | 55,458,916           |
| Other liabilities  | 9,513,062          | 1,462                        | 213,519                      | 12,905                                       | 9,740,948            |
| Equity   | 43,338,300         | -                            | -                            | -  | 43,338,300           |
| <b>Total liabilities</b>   | <b>478,116,334</b> | <b>12,190</b>                | <b>30,147,104</b>            | <b>54,770</b>                                | <b>508,330,398</b>   |
| On-balance-sheet currency position                                 | 4,380,551          | 26,308                       | (27,078)                     | 13,696                                       | 4,393,477            |
| Off-balance-sheet currency position                                | 3,097,213          | -                            | (3,088,080)                  | 4  | 9,137                |
| <b>On and off-balance-sheet currency position</b>                  | <b>7,477,764</b>   | <b>26,308</b>                | <b>(3,115,158)</b>           | <b>13,700</b>                                | <b>4,402,614</b>     |

(\*) Excluding provision

**Interest rate risk**

Interest rate risk is the risk that arises when there is a difference in the interest rate repricing period between assets and liabilities. All credit, mobilization and investment activities of the Bank create interest rate risk.

The interest rate repricing period for fixed interest rate items is the remaining period from the financial statement date until the maturity date of the asset, and for floating interest rate items is the remaining period until the nearest valuation date.

The following assumptions and conditions are applied in the analysis of the interest rate repricing period of the Bank's assets and liabilities:

- Cash in hand, trading securities, long-term investment and other assets (including fixed assets and other assets) are classified as non-interest bearing items;
- Deposits at the SBV are classified as demand deposits, including required reserve deposits, so the interest rate repricing period is classified as not subject to interest rate re-pricing risk or up to one month;
- The interest rate repricing period of investment securities depends on the interest rate regulations of the issuing organization for each type of securities;
- The interest rate repricing period of deposits and loans to credit institutions; loans to customers; debts to the Government and the State Bank; deposits and loans to credit institutions and customer deposit items are determined as follows:
  - Items with fixed interest rates throughout the contract term: The interest rate repricing period is based on the actual maturity date calculated from the end of the year;
  - Items with floating interest rates: The interest rate repricing period is based on the most recent interest rate repricing period calculated from the end of the year.
- The interest repricing period of other debts is classified according to the actual maturity of each debt calculated from the end of the year.





The following table presents the Bank's assets and liabilities classified by the shorter of the interest rate repricing period or contractual maturity date as at 31 December 2024:

|   | Overdue<br>VND million | Not subject to<br>interest rate re-<br>pricing risk<br>VND million | Interest repricing term          |  |   |   |   | Over 05<br>years<br>VND million | Total<br>VND million |
|---|------------------------|--|----------------------------------|--|---|---|---|---------------------------------|----------------------|
|   |                        |  | Up to 01<br>month<br>VND million | From 01 to 03<br>months<br>VND million | From over 03<br>to 06 months<br>VND million | From over 06<br>to 12 months<br>VND million | From over<br>01 to 05<br>years<br>VND million |                                 |                      |
| <b>Assets</b>   |                        |  |                                  |  |   |   |   |                                 |                      |
| Cash on hand  | -                      | 1,162,384  | -                                | -                                      | -   | -   | -   | -                               | 1,162,384            |
| Balances with the SBV   | -                      | 14,369,534   | -                                | -                                      | -   | -   | -   | -                               | 14,369,534           |
| Deposits with and loans to<br>other credit institutions (*)                     | 56,977                 | -  | 72,030,974                       | 24,224,345                             | 200,000                                     | -   | -   | -                               | 96,512,296           |
| Trading securities  | -                      | 660,321  | -                                | -                                      | -   | -   | -   | -                               | 660,321              |
| Derivatives and other financial<br>assets                                       | -                      | 9,137  | -                                | -                                      | -   | -   | -   | -                               | 9,137                |
| Loans to customers and debts<br>purchased (*)                                   | 3,435,008              | -  | 19,551,098                       | 141,052,354                            | 110,063,144                                 | 34,599,137                                  | 19,356,431                                    | 3,549,143                       | 331,606,315          |
| Investment securities   | -                      | 12,986,335   | 250,130                          | 600,531                                | 2,000,000                                   | 799,881                                     | 11,657,322                                    | 29,786,140                      | 58,080,339           |
| Long-term investments   | -                      | 548,808  | -                                | -                                      | -   | -   | -   | -                               | 548,808              |
| Fixed assets  | -                      | 2,731,787  | -                                | -                                      | -   | -   | -   | -                               | 2,731,787            |
| Other assets (*)  | 6,403                  | 7,036,551  | -                                | -                                      | -   | -   | -   | -                               | 7,042,954            |
| <b>Total assets</b>   | <b>3,498,388</b>       | <b>39,504,857</b>  | <b>91,832,202</b>                | <b>165,877,230</b>                     | <b>112,263,144</b>                          | <b>35,399,018</b>                           | <b>31,013,753</b>                             | <b>33,335,283</b>               | <b>512,723,875</b>   |
| <b>Liabilities</b>  |                        |  |                                  |  |   |   |   |                                 |                      |
| Deposits and borrowings from<br>the SBV and other credit<br>institutions        | -                      | -  | 85,258,431                       | 28,587,145                             | 17,148                                      | 24,115                                      | 2,602,912                                     | 130,637                         | 116,620,388          |
| Deposits from customers   | -                      | -  | 63,338,797                       | 70,413,772                             | 74,225,737                                  | 66,848,854                                  | 8,344,359                                     | 327                             | 283,171,846          |
| Valuable papers issued  | -                      | -  | -                                | 11,530,591                             | 10,500,215                                  | 23,841,143                                  | 9,586,967                                     | -                               | 55,458,916           |
| Other liabilities   | -                      | 9,740,948  | -                                | -                                      | -   | -   | -   | -                               | 9,740,948            |
| <b>Total liabilities</b>  | <b>-</b>               | <b>9,740,948</b>   | <b>148,597,228</b>               | <b>110,531,508</b>                     | <b>84,743,100</b>                           | <b>90,714,112</b>                           | <b>20,534,238</b>                             | <b>130,964</b>                  | <b>464,992,098</b>   |
| <b>On-balance sheet interest<br/>sensitivity gap</b>                            | <b>3,498,388</b>       | <b>29,763,909</b>  | <b>(56,765,026)</b>              | <b>55,345,722</b>                      | <b>27,520,044</b>                           | <b>(55,315,094)</b>                         | <b>10,479,515</b>                             | <b>33,204,319</b>               | <b>47,731,777</b>    |
| <b>On-balance sheet and off-<br/>balance sheet interest<br/>sensitivity gap</b> | <b>3,498,388</b>       | <b>29,763,909</b>  | <b>(56,765,026)</b>              | <b>55,345,722</b>                      | <b>27,520,044</b>                           | <b>(55,315,094)</b>                         | <b>10,479,515</b>                             | <b>33,204,319</b>               | <b>47,731,777</b>    |

(\*) Excluding provision

### Liquidity Risk

Liquidity risk is the risk that the Bank will suffer losses and/or be unable to pay when the Bank does not have sufficient available capital at reasonable costs and/or cannot sell assets at reasonable costs and/or must raise capital at high costs at the right time when the Bank needs to meet its payment obligations. Liquidity risk arises due to many reasons such as the imbalance in maturity of liabilities and assets, the sensitivity of assets to interest rate changes, and the risk of not being able to meet the Bank's payment obligations.

The maturity of assets and liabilities represents the remaining time of assets and liabilities from the end of the accounting year to the payment period as stipulated in the contract or in the terms of issuance.

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

- Deposits at the SBV are classified as payment deposits, including compulsory reserve deposits, the balance of compulsory reserve deposits depends on the composition and maturity of customer deposits at the Bank.
- The maturity of deposits and loans to other credit institutions and customer loans is determined based on the maturity date of the specified contract. The actual maturity may change due to the extension of loan and deposit contracts.
- The maturity of investment securities is calculated based on the maturity date of the contract of each type of security.
- The maturity of capital contributions and long-term investments is considered to be over 5 years because these investments do not have a specified maturity date.
- The maturity of fixed assets is determined based on the remaining useful life of the asset.
- The maturity of other assets is classified according to the actual maturity of each asset.
- The maturity of deposits and loans from other credit institutions and customer deposits is determined based on the nature of these items or the maturity date in the contract. Payment deposit accounts are executed at the request of customers and are non-term deposits. The maturity of loans and term deposits is determined based on the contractual maturity date. In practice, these items can be rolled over and therefore maintained for a longer period than the initial maturity
- The maturity of the issue of valuable papers is based on the actual maturity date of each type of valuable paper.
- The maturity of other liabilities is classified according to the actual maturity date of each liability.

The table below presents an analysis of the Bank's assets and liabilities by their respective maturity groups based on the remaining period from the end of the accounting year to the date of payment. In practice, the actual maturity of assets and liabilities may differ from the contractual period according to agreements between the parties or possible contract appendices.



The following table presents the Bank's liquidity risk as at 31 December 2024:

|  | Overdue           |                         |                        |                              | Current                      |                             |                   | Total<br>VND million |
|--|-------------------|-------------------------|------------------------|------------------------------|------------------------------|-----------------------------|-------------------|----------------------|
|  | Over 03<br>months | Due within 03<br>months | Due within 01<br>month | From over 01 to<br>03 months | From over 03 to<br>12 months | From over 01 to<br>05 years | Over 05 years     |                      |
|  | VND million       | VND million             | VND million            | VND million                  | VND million                  | VND million                 | VND million       |                      |
| <b>Assets</b>  |                   |                         |                        |                              |                              |                             |                   |                      |
| Cash on hand   | -                 | -                       | 1,162,384              | -                            | -                            | -                           | -                 | 1,162,384            |
| Balances with the SBV  | -                 | -                       | 14,369,534             | -                            | -                            | -                           | -                 | 14,369,534           |
| deposits with and loans to other<br>credit institutions (*)              | 56,977            | -                       | 72,030,974             | 24,224,345                   | 200,000                      | -                           | -                 | 96,512,296           |
| Trading securities   | -                 | -                       | 660,321                | -                            | -                            | -                           | -                 | 660,321              |
| Derivatives and other financial<br>assets                                | -                 | -                       | 9,137                  | -                            | -                            | -                           | -                 | 9,137                |
| Loans to customers and debt<br>purchased (*)                             | 1,917,302         | 1,517,706               | 9,706,512              | 29,668,262                   | 150,901,712                  | 111,263,952                 | 26,630,869        | 331,606,315          |
| Investment securities  | -                 | -                       | 800,131                | 800,531                      | 12,042,623                   | 13,657,322                  | 30,779,732        | 58,080,339           |
| Long-term investments  | -                 | -                       | -                      | -                            | -                            | -                           | 548,808           | 548,808              |
| Fixed assets   | -                 | -                       | -                      | -                            | -                            | 2,731,787                   | -                 | 2,731,787            |
| Other assets (*)   | 6,403             | -                       | 7,036,551              | -                            | -                            | -                           | -                 | 7,042,954            |
| <b>Total assets</b>  | <b>1,980,682</b>  | <b>1,517,706</b>        | <b>105,775,544</b>     | <b>54,693,138</b>            | <b>163,144,335</b>           | <b>127,653,061</b>          | <b>57,959,409</b> | <b>512,723,875</b>   |
| <b>Liabilities</b>   |                   |                         |                        |                              |                              |                             |                   |                      |
| Deposits and borrowings from<br>the SBV and other credit<br>institutions | -                 | -                       | 85,258,431             | 28,587,145                   | 41,263                       | 2,602,912                   | 130,637           | 116,620,388          |
| Deposits from customers  | -                 | -                       | 64,908,196             | 68,844,373                   | 141,074,591                  | 8,344,359                   | 327               | 283,171,846          |
| Valuable papers issued   | -                 | -                       | -                      | 11,441,857                   | 24,267,078                   | 12,586,967                  | 7,163,014         | 55,458,916           |
| Other liabilities  | -                 | -                       | 9,740,948              | -                            | -                            | -                           | -                 | 9,740,948            |
| <b>Total liabilities</b>   | <b>-</b>          | <b>-</b>                | <b>159,907,575</b>     | <b>108,873,375</b>           | <b>165,382,932</b>           | <b>23,534,238</b>           | <b>7,293,978</b>  | <b>464,992,098</b>   |
| <b>Liquidity gap</b>   | <b>1,980,682</b>  | <b>1,517,706</b>        | <b>(54,132,031)</b>    | <b>(54,180,237)</b>          | <b>(2,238,597)</b>           | <b>104,118,823</b>          | <b>50,665,431</b> | <b>47,731,777</b>    |

(\*) Excluding provision



49. FINANCIAL INSTRUMENTS

Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 requires disclosure of the method of determining fair value and information on fair value of financial assets and liabilities to enable comparison of fair value and carrying value.

The fair value and carrying value of the Bank's financial instruments at the end of the accounting period are detailed in the table below:

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The fair value and carrying value of the Bank's financial instruments as at 31 December 2024 are stated in the table below:

|  | Book value        |                  |                                      |                       |                    | Fair value<br>VND million |                  |
|--|-------------------|------------------|--------------------------------------|-----------------------|--------------------|---------------------------|------------------|
|  | Trading           | Held to maturity | Loan to customers<br>and receivables | Available for<br>sale | Amortised cost     |                           | Total book value |
|  | VND million       | VND million      | VND million                          | VND million           | VND million        |                           | VND million      |
| <b>Financial assets</b>                                  |                   |                  |                                      |                       |                    |                           |                  |
| Cash   | 1,162,384         | -                | -                                    | -                     | -                  | 1,162,384                 | 1,162,384        |
| Balances with the SBV                                    | 14,369,534        | -                | -                                    | -                     | -                  | 14,369,534                | 14,369,534       |
| Deposits with and loans to other credit institutions (*) | -                 | -                | 96,512,296                           | -                     | -                  | 96,512,296                | (**)             |
| Trading securities                                       | 660,321           | -                | -                                    | -                     | -                  | 660,321                   | (**)             |
| Derivatives and other financial assets                   | 9,137             | -                | -                                    | -                     | -                  | 9,137                     | (**)             |
| Loans to customers and debt purchased (*)                | -                 | -                | 331,606,315                          | -                     | -                  | 331,606,315               | (**)             |
| Investment securities                                    | -                 | -                | -                                    | 58,080,339            | -                  | 58,080,339                | (**)             |
| Long-term investments                                    | -                 | 548,808          | -                                    | -                     | -                  | 548,808                   | (**)             |
| Other financial assets (*)                               | -                 | -                | 5,550,523                            | -                     | -                  | 5,550,523                 | (**)             |
|  | <u>16,201,376</u> | <u>548,808</u>   | <u>433,669,134</u>                   | <u>58,080,339</u>     | <u>-</u>           | <u>508,499,657</u>        |                  |
| <b>Financial liabilities</b>                             |                   |                  |                                      |                       |                    |                           |                  |
| Deposits and borrowings from the SBV                     | -                 | -                | -                                    | -                     | 1,271,377          | 1,271,377                 | (**)             |
| Deposits and borrowings from other credit institutions   | -                 | -                | -                                    | -                     | 115,349,011        | 115,349,011               | (**)             |
| Deposits from customers                                  | -                 | -                | -                                    | -                     | 283,171,846        | 283,171,846               | (**)             |
| Valuable papers issued                                   | -                 | -                | -                                    | -                     | 55,458,916         | 55,458,916                | (**)             |
| Other financial liabilities                              | -                 | -                | -                                    | -                     | 8,486,707          | 8,486,707                 | (**)             |
|  | <u>-</u>          | <u>-</u>         | <u>-</u>                             | <u>-</u>              | <u>463,737,857</u> | <u>463,737,857</u>        |                  |

(\*) Excluding provisions.

(\*\*) The Bank has not determined the fair value of these financial instruments for disclosure in the financial statements because there is no quoted market price for these financial instruments and the Vietnamese Accounting Standards and the Vietnamese Accounting Regime applicable to Credit Institutions issued by the SBV currently do not provide guidance on how to calculate fair value using valuation techniques. The fair value of these financial instruments may differ from their carrying value.

50. EXCHANGE RATES OF SOME FOREIGN CURRENCIES AT THE END OF THE ACCOUNTING PERIOD

| Currencies | As at 31/12/2024 | As at 31/12/2023 |
|------------|------------------|------------------|
| USD        | 25,495           | 24,185           |
| EUR        | 26,790           | 27,006           |
| GBP        | 32,075           | 31,028           |
| CHF        | 28,271           | 28,839           |
| JPY        | 164              | 172              |
| SGD        | 18,848           | 18,433           |
| CAD        | 17,850           | 18,389           |
| AUD        | 15,949           | 16,636           |
| HKD        | 3,283            | 3,141            |

51. EVENT AFTER REPORTING DATE

According to the Report on the results of the 2023 dividend issuance No. 212/2025/BC-LPBank dated 7 January 2025, the Bank has distributed 429,665,684 shares to pay dividends in 2023 (Note 23.4).

Prepared by



Nguyen Van Hieu  
 Accounting and Tax Specialist

Approved by



Nguyen Tien Cong  
 Chief Accountant

Approved by



Vu Quoc Khanh  
 Chief Executive Officer

25 March 2025

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