



# SUSTAINABLE PROSPERITY

ANNUAL REPORT

20  
24

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## Abbreviations

<b>Abbreviations</b>	<b>Meaning</b>
AI	Artificial intelligence
AGM	Annual General Meeting of Shareholders
AWS	Amazon Web Services
Bps	Basis point
BOD	Board of Directors
CAR	Capital adequacy ratio
CAGR	Compound Annual Growth Rate
ESG	Environmental, Social, and Governance
FDI	Foreign direct investment
GDP	Gross domestic product
GenAI	Generative Artificial Intelligence
HoSE	Ho Chi Minh City Stock Exchange
IFC	International Finance Corporation
KPI	Key performance indicator
Net Zero	Net Zero emission
ML	Machine learning
NPL	Non performing loan
SBV	State Bank of Vietnam
SME	Small and medium enterprises
SMBC	Sumitomo Mitsui Banking Corporation
TOI	Total operating income
Year on year	YoY



# Message

# 01



## I. Message

### 1. Chairman and Chief Executive Officer's message

*Dear Valued shareholders, customers and partners,*

2024 was a year marked by intertwined opportunities and challenges, both globally and domestically. On the world front, easing inflation provided space for major central banks to lower interest rates and adopt more flexible monetary policies. However, geopolitical tensions across multiple regions, coupled with rising pressure from the greenback and the unwinding of carry trade, have placed considerable strain on many economies, particularly those with high levels of openness, such as Vietnam. These challenges were further exacerbated by Typhoon Yagi, the most devastating storm in 70 years, which wreaked havoc in the northern region and led to unprecedented disruptions. Thanks to the resolute leadership of the Government and the SBV, alongside resilient domestic drivers and a robust recovery in exports, manufacturing and tourism, Vietnam's economy exceeded all expectations, posting an impressive 7.09% GDP growth for the year.

In this dynamic landscape, VPBank has prioritized fortifying its foundation while remaining proactive and flexible to adapt to market fluctuations. Adhering to this guiding principle has enabled the bank to achieve exceptional growth, outpacing the industry average and creating room to support customers, partners and the community in navigating challenges.

As 2024 concluded, VPBank's total assets neared the landmark of VND 1 quadrillion, positioning us among the largest banks in the system. Consolidated profit before tax surpassed VND 20 trillion, representing a remarkable growth of 85%. The parent bank remained the cornerstone of this expansion, while subsidiaries within our ecosystem emerged as notable contributors, particularly FE CREDIT, delivering 3 consecutive quarters of profitability following a comprehensive restructuring.

While pursuing robust growth, VPBank remains steadfast in its commitment to sustainability as an indispensable factor. The bank's Capital Adequacy Ratio (CAR) continues to lead the industry, standing at an impressive 15.5%. Our well-structured funding strategy has driven a reduction in cost of funds by nearly 200 basis points, directly boosting our business performance and optimizing our group operating model's efficiency.

In the latter half of 2024, VPBank launched the first flagship branch of any Vietnamese bank in Ho Chi Minh City, offering customers world-class financial services and an unparalleled experience at every touchpoint.

Driven by significant improvements in both “quality” and “quantity”, VPBank has earned a place in the Top 10 Best Corporate Governance Companies - large cap group for 2024 and secured a spot among the Top 20 Companies with the Highest ESG Scores in the HOSE’s Sustainability Index (VNSI). Furthermore, the bank made its debut on the Fortune Southeast Asia 500, a prestigious list of the region's 500 largest companies.

These milestones stand as a testament to the transformative leadership of the Board of Directors during the 5-year term (2020 – 2025), who successfully navigated VPBank through the unprecedented challenges posed by the Covid-19 pandemic. Through the flexible and strategic leadership by the Board, VPBank has ascended to the forefront of Vietnam's private banking sector. Key M&A transactions, including the sale of 49% of FE CREDIT to SMBC Consumer Finance Company and 15% of VPBank to SMBC Group, have positioned us as the leader in both charter capital and owners’ equity within the banking system. Beyond strengthening the financial foundation and enhancing competitive advantages, VPBank, in partnership with strategic shareholder SMBC, is set on an ambitious path to becoming one of the Top 100 banks in Asia.

2025 will serve as the foundation for VPBank’s next phase of breakthrough growth, synchronized with the country's “era of national rise”. The government targets an 8% GDP growth, with aspirations for double-digit growth in the 2026 - 2030 period. Building on the momentum of economic recovery and the leadership of the Board of Directors for the 2025 - 2030 term, VPBank is poised to set an ambitious business plan focused on scaling quickly while ensuring a firm footing to “run fast without stumbling, fast yet safe and with unwavering quality”.

From a governance perspective, 2025 marks the inaugural year for the full-scale implementation of VPBank’s group operating model across its entire ecosystem. After more than 30 years of development, VPBank has built a distinctive and expanding ecosystem, integrating key components such as GPBank, consumer finance (FE CREDIT), securities

(VPBanks), insurance (OPES), and strategic partners across various sectors. This group operating model is designed to meet the demands of a new governance model, fully harnessing the potential of VPBank and its subsidiaries, which collectively serve over 30 million customers.

Shifting our mindset and governance is a continuous journey, one that demands relentless optimization. Unlike in the past, VPBank's focus going forward will extend beyond human resource optimization to placing technology and data at the heart of our strategy. VPBank will spearhead the digital transformation of our operations, strengthen core systems, and drive disruptive innovations by integrating breakthrough technologies. Through cutting-edge initiatives in AI, GenAI, and Big Data, we will redefine the speed, service delivery, and customer experience that set us apart in the market.

With a laser focus on exceptional growth and sustainable development, and backed by the trust of our shareholders, customers, and partners, VPBank is primed to build on past victories and hit the ground running towards our ambitious 2025 goals. We remain firmly committed, not just to creating lasting value and prosperity for the nation and our community, but to delivering the best possible returns for our shareholders and an unmatched experience for our customers.

With appreciation!



## 2. Highlights of 2024

1. Consolidated profit before tax for the year reached VND 20,013 billion, representing an impressive 85% surge compared to 2023, one of the highest growth rates in the banking system.
2. After two years of restructuring, FE CREDIT has found its footing again, posting a profit before tax of over VND 500 billion in 2024 and making a positive contribution to the group's overall performance.
3. The group's operating model is seamlessly integrated across our distinct ecosystem expansion, fully catering to the needs of over 30 million customers. The inclusion of GPBank will generate synergies and further bolster VPBank's competitive edge moving forward.
4. Total assets by the end of 2024 nearly reached VND 924 trillion, bringing us within striking distance of the VND 1 quadrillion milestone.
5. Capital adequacy ratio (CAR) according to Basel II, reached 15.5%, the highest in the banking industry.
6. Cost of funds was optimized by nearly 200 bps compared to 2023.
7. VPBank completed the cash dividend payout of nearly VND 8,000 billion, equivalent to a 10% return to shareholders, for the second consecutive year.
8. Launched the first flagship branch in Ho Chi Minh City, offering customers superior financial services and exceptional experiences at every touchpoint.
9. VPBank made its debut on the Fortune Southeast Asia 500 list, featuring the 500 largest companies in Southeast Asia. VPBank was honored to be ranked among the top 10 Most Valuable Brands in Vietnam for the first time, according to Brand Finance. The bank's brand value surged to USD 1.35 billion, representing an impressive 24-fold increase from its initial valuation in 2016.
10. VPBank, for the first time, was among the Top 10 Large-Cap Companies with the Best Corporate Governance in 2024 and the Top 20 Companies with the Highest ESG Scores in the HOSE's Sustainability Index (VNSI) for the 6 consecutive time.

11. In line with the national commitment to achieve Net Zero by 2050, VPBank secured USD 735 million in sustainable financing from distinguished international financial institutions in 2024. At the same time, VPBank formalized a USD 150 million credit agreement with the Japan Bank for International Cooperation (JBIC) to finance renewable energy and power transmission projects within Vietnam.



# Overview

# 02



## II. Overview

### 1. General information, establishment and development history

#### General information

##### Name

In Vietnamese	Ngân hàng Thương mại Cổ phần Việt Nam Thịnh Vượng
In English	Vietnam Prosperity Joint - Stock Commercial Bank
Short form	VPBank
Sticker symbol	VPB

<b>Business Registration Certificate No.</b>	0100233583
First registration	September 8, 1993
45 <sup>th</sup> revision	November 21, 2023

<b>Charter capital</b>	VND 79,339,236,010,000
In words	Seventy-nine trillion three hundred thirty-nine billion two hundred thirty-six million ten thousand.

<b>Head Office</b>	VPBank Tower, 89 Lang Ha, Lang Ha ward, Dong Da district, Hanoi.
Phone number	(84) 1900 545 415
Fax	(84) 024 3928 8901
Website	<a href="http://www.vpbank.com.vn">www.vpbank.com.vn</a>

## **Establishment and development**

Established in 1993 during Vietnam's economic reform (Doi Moi), VPBank has continuously grown to become one of the leading financial institutions, closely accompanying the nation's economic development. In its 30-year journey of establishment and growth, the bank has played a vital role as a bridge in mobilizing and allocating resources effectively for the economy, enabling individuals to access modern financial and banking services, providing timely funding to businesses for investment and expansion.

Throughout its development, VPBank has witnessed and adapted to the evolving economic landscape, from technological breakthroughs and shifts in customer behavior to the strong wave of digitalization. The bank made a significant mark with two milestone deals: the sale of a 49% stake in FE CREDIT to SMBC Consumer Finance and a 15% stake in VPBank to its strategic shareholder, SMBC - one of Japan's largest financial groups. Thanks to this multi-billion dollar deal, VPBank officially became the bank with the highest charter capital in Vietnam, as of December 31, 2024.

Thanks to a solid capital foundation and breakthrough development strategy, VPBank has expanded its nationwide operational network and built a diverse product ecosystem. The bank offers a wide range of services, from payment solutions and asset management for individual customers to financial solutions tailored for small and medium-sized enterprises, large corporations and FDI businesses.

Not resting on its achievements, VPBank is gearing up for a new phase of development with an ambitious 5-year strategic vision (2022 – 2026): to become a strong financial institution, ranking among the top 3 banks in Vietnam and entering the list of the top 100 banks in Asia.

To realize this vision, VPBank is at the forefront of applying technology across all operational aspects, upgrading its infrastructure and driving innovation in a sustainable approach. The bank focuses on harnessing the power of AI, GenAI and Big Data, implementing digitalization initiatives to streamline processes, enhance efficiency, optimize customer experiences and integrate ESG elements into its business operations.

## **History and achievements over the past 30 years of development (1993 - 2024)**

1993:

- Vietnam Prosperity Joint Stock Commercial Bank (VPBank) was established on August 12, 1993 and is one of the first commercial joint stock banks in Vietnam.

2010:

- VPBank implemented a strategy to transform into a modern retail banking model and underwent strong development through the expansion of its nationwide network of branches and transaction offices along with the development of diverse sales and distribution channels.

2015:

- Successfully transformed consumer credit operation into a new independent legal entity - Vietnam Prosperity Finance Limited Company (FE CREDIT brand). FE CREDIT conquered the local consumer finance market with about 50% market share.

2017:

- Successfully listed on the HoSE, raising nearly USD 300 million through private placement, marking the beginning of a new phase of development and integration.

2018:

- Developed a strategy for 2018 - 2022, identified growth drivers and accelerated the digitalization process.
- Launched the VPBank Diamond brand for the affluent segment.

2019:

- Successfully issued USD 300 million of international bonds.
- Implemented the BeFit program to streamline the organization and improve labor productivity.

2020:

- Completed all 3 pillars of Basel II.

- Activated the business continuity plan (BCP) and developed response scenarios for Covid-19.
- Implemented a series of digital initiatives on technology platforms such as Open Banking.

2021:

- Completed the transfer of 49% equity in FE CREDIT to SMBC Consumer Finance.
- Moody's upgraded the credit ratings of VPBank and FE CREDIT to Ba3, the same as the national ceiling.

2022:

- Extended the agreement on exclusive insurance distribution with AIA.
- Repositioned the brand and unveiled the new mission statement of “Prospering Vietnam” together with the “Light up Vietnam” campaign.
- Increased the charter capital to more than VND 67 trillion, becoming the bank with the highest charter capital in the system.

2023:

- Completed the transfer of 15% of charter capital to the strategic shareholder SMBC, increasing the equity to nearly VND 140 trillion, the second highest in the industry.
- Moody's maintained VPBank's Ba3 credit rating with a stable outlook despite challenges in the financial market.
- Unveiled 5 new core values.

2024:

- The group model was rolled out across a distinctive and expanding ecosystem, fully serving the needs of more than 30 million customers.
- Launched the first flagship branch in Vietnam's banking sector, bringing a complete and fresh banking experience to customers.

- Ranking among the Top 10 Large-cap Companies with the best corporate governance and for 6 consecutive times among the Top 20 Companies with the highest ESG scores in HoSE's Vietnam Sustainability Index (VNSI).



VPBank is gradually affirming its reputation as a dynamic bank with stable financial capacity and responsibility to the community in accordance with the spirit of "Prospering Vietnam".

### **Vision**

Become a strong financial institution among the top 3 largest banks in Vietnam and the size among the top 100 largest banks in Asia, contributing to the sustainable development and prosperity of the nation and the community.

### **Mission**

To pioneer innovation, delivering distinctive financial services to customers and partners, developing ourselves to bring sustainability and prosperity to shareholders, communities and society.

### **Strategy**

Build a universal bank that leads in implementation, innovation and value creation through comprehensive financial services, with the synergy of the ecosystem and the adoption of cutting-edge technologies.

### **Core values**

VPBank has always identified corporate culture as a valuable asset of the organization and the strength that enables the bank to pursue ambitious goals, creates distinctive values and is the foundation that supports strategies, helping to realize the vision and mission of the bank. In 2023, VPBank officially announced the 5 new core values as follows: **Aspiration, Integrity, Efficiency & Effectiveness, Discipline, Innovation.**

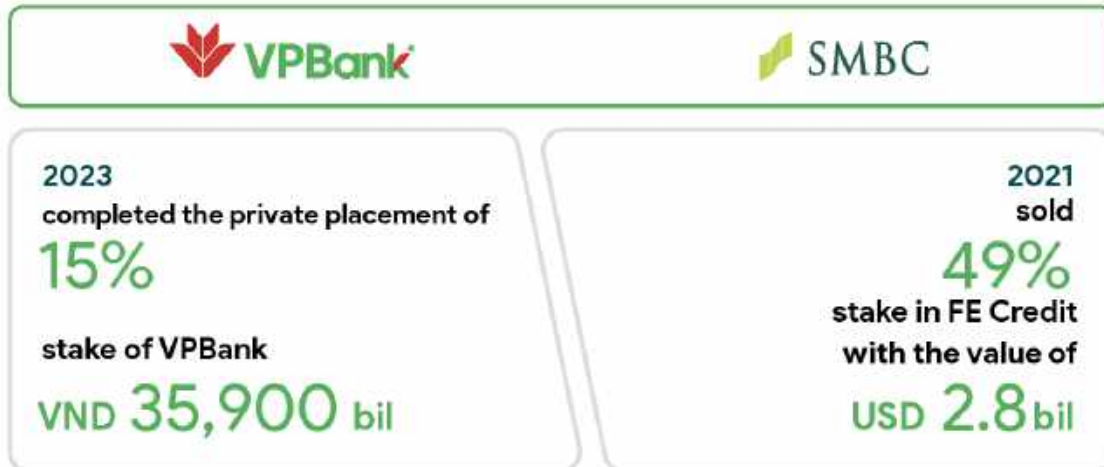
This new set of core values is developed based on the values and qualities that form VPBank's identity over the years, while incorporating new principles to ensure sustainable growth in the future. The 5 core values will be the guideline for each VPBanker to self-reflect, perfect, and develop themselves to become prosperous individuals, rich in aspirations, passionate about creativity, and disciplined in thought and action. The activated new core values are going to empower VPBank to open a new era of prosperity.

## 5 years of growth and shaping prosperity

The period from 2020 to 2025 was characterized by unprecedented challenges, beginning with the outbreak of the Covid-19 pandemic. This global health crisis caused widespread disruptions, affecting public health and reshaping the global economic, political, and social landscape. Simultaneously, escalating geopolitical tensions and successive economic social crises intensified instability, posing significant risks to the sustainable development of the nation.

Entrusted with steering VPBank towards greater success, the BOD played a pivotal role in setting the bank's strategic direction, making groundbreaking decisions that reinforced VPBank's position as the leading private bank in Vietnam. Every step taken during this period reflects a commitment to resilience, strategic foresight, and unity, coupled with agility and adaptability. The bank's remarkable achievements highlight not only its perseverance but also its capacity for innovation and adaptation in an ever-changing world.

## Reaching new height with record-breaking M&A deals



Amidst a volatile financial market, VPBank has demonstrated superior strength, continuously enhanced its position and increased its owner's equity and charter capital to lead the banking industry. The private placement of 15% of VPBank's stake to strategic partner SMBC Group for over VND 35.9 trillion in 2023, along with the agreement to sell a 49% stake in FE CREDIT to SMBC Consumer Finance at a valuation of USD 2.8 billion in 2021, reflects the Board of Directors' visionary approach in fortifying the bank's financial foundation and

enhancing its competitive edge. Concurrently, these deals have also paved the way for future collaborations with SMBC, unlocking new opportunities for growth and expansion in the next phase of development.

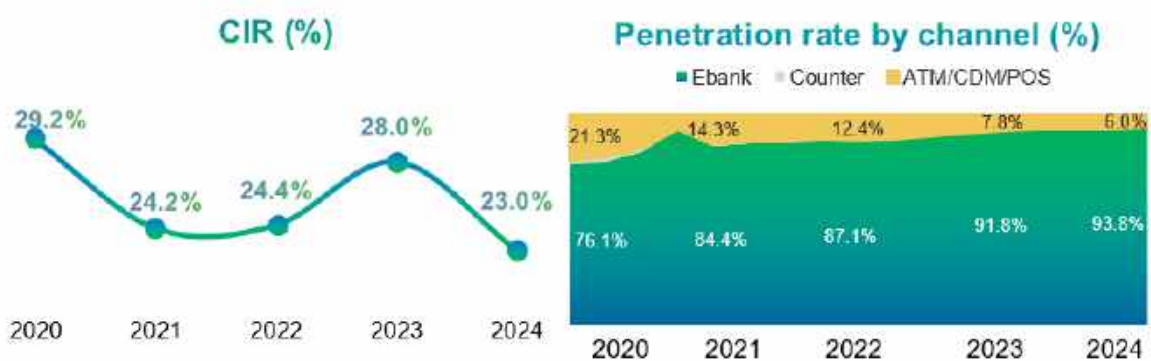
### Distinct ecosystem expansion



VPBank's ecosystem encompasses not only essential, flexible financial products and services but also maintains close connections with subsidiaries, business partners and strategic shareholder SMBC, creating synergies, providing optimal financial solutions and superior services to more than 30 million customers across diverse segments.

### Laying a rock-solid foundation

As part of its comprehensive digital transformation journey, VPBank continuously fosters innovation across all business activities, leveraging AI and GenAI to optimize operations, deliver breakthrough financial solutions and enhance customer experience, thereby cementing its position in the global digital era. Additionally, in 2022, VPBank announced a brand repositioning, reaffirming its commitment to fulfilling the mission of "Prospering Vietnam". This strategic repositioning marks a watershed moment in the bank's development, underscoring its dedication to serving the nation.



### Accelerating growth with sky-high aspirations

VPBank remains unwavering in expanding its ecosystem, driving innovation and enhancing operational efficiency, thereby laying a rock-solid foundation for sustainable growth. Over the past 5 years, the bank has maintained strong growth momentum, solidifying its leading

position in the financial and banking sector and establishing a firm ground for future success.



## **2. Business lines and regions**

Banking services:

VPBank's principal functions include:

- Providing banking services, including mobilizing and receiving short-, medium and long-term deposits from organizations and individuals; making short-, medium and long-term loans and advances to organizations and individuals.
- Conducting foreign exchange transactions; providing international trade finance services; discounting of commercial papers, bonds and other valuable papers
- Investing in securities and bonds; investing in Government bond futures contracts
- Providing settlement payment and e-wallet services
- Providing asset management services
- Extending credit in the form of rediscounting negotiable instruments and other valuable papers and other banking services permitted by the SBV

By the end of 2024, VPBank had 1 head office (Hanoi), 1 representative office (Ho Chi Minh City), 80 branches and 207 transaction offices across the country:

Region	Head office/representative office	Branch	Transaction office
North	1 ( <i>Hanoi</i> )	33	122
Central		10	16
South	1 ( <i>HCM city</i> )	37	69
<b>Total</b>	<b>2</b>	<b>80</b>	<b>207</b>

### **3. Governance model, business organization and management apparatus**

#### **Governance model**

VPBank's organizational structure constitutes the Annual General Meeting of Shareholders, the Board of Directors, the Supervisory Board and the Chief Executive Officer as per regulation stated in Article no. 40 under the Law on Credit institutions 2024. The Annual General Meeting of Shareholders has the ultimate authority over the bank. The Annual General Meeting of Shareholders has the right to elect, relieve from duty or dismiss members of the Board of Directors and the Supervisory Board.

The Board of Directors is responsible for the establishment of the bank's strategies and direction; implementation of the governance framework, decisions making to exercise the bank's rights and obligations except for issues under the authority of the Annual General Meeting of Shareholders.

The Board of Directors has two supporting committees, which are the Human Resources Committee and the Risk Management Committee.

#### **Management apparatus**

The Chief Executive Officer is the highest-ranking executive and takes responsibility before the Board of Directors.

Other members of the Board of Management, including standing deputy Chief Executive Officer, deputy Chief Executive Officer and division or center heads... have the responsibility to support the Chief Executive Officer. The Chief Executive Officer implements directions and policies approved by the Board of Directors in the process of carrying out the bank's business operations. The bank has established 18 main divisions and centers to implement business and operation - support activities based on specific functions and responsibilities which are directly managed by assigned members of the Board of Management.

The Chief Executive Officer also establishes specialized councils and committees in risk management (the Operational Risk Councils, the Credit Risk and Credit Collection Councils and the Market Risk Management Councils), asset management (the Asset-liability Councils and the Capital Management Councils), credit management/underwriting, product development, information technology (Information Technology, Digital Banking and

Ecosystem Council, Data & Analytics Committee)... to consult the Chief Executive Officer in managing and making decisions for the bank's business operations.





## **Subsidiaries**

### **Vietnam Prosperity Joint Stock Commercial Bank Asset Management Company Limited (VPB AMC)**

Business registration certificate	No. 0105837483 issued by Hanoi Department of Planning and Investment on May 12, 2023
Registered business address	Level L2B, building R6 Royal City, 72A Nguyen Trai, Thuong Dinh ward, Thanh Xuan district, Hanoi
Business line	Debt and asset management
Charter capital	VND 115,000,000,000
% owned by VPBank	100%

## **VPBank SMBC Finance Company Limited (FE CREDIT)**

Business registration certificate	No. 0102180545 revised by HCM City Department of Planning and Investment most recently on May 29, 2024
Registered business address	Level 2, REE Tower building, No. 9 Doan Van Bo street, ward 13, district 4, HCM City
Business line	Financial services
Charter capital	VND 10,928,000,000,000
% owned by VPBank	50%

### **Fruits from the restructuring process**

After two years of restructuring, FE CREDIT achieved significant successes, including the optimization of the existing business model, improvement of the risk control framework and completion of the digital transformation model.

FE CREDIT continued its growth momentum with total disbursements in 2024 of more than VND 43 trillion, 40% higher than in 2023 and credit to customers increasing by 10.3%, indicating a gradual recovery in consumer spending.

Thanks to the restructuring process and the group operating model, FE CREDIT achieved a spectacular recovery and growth. Total revenue in 2024 reached VND 15,842 billion, up 19.3% compared to 2023, profit before tax reached VND 512 billion while the number of new accounts/customers reached 1.88 million.

### **Improve product competitiveness**

In 2024, FE CREDIT introduced a range of new products and services to enhance its competitiveness in the consumer finance market. The company designated two-wheeler loans as one of its strategic products for 2024, aiming to expand customer base and strengthen brand presence.

To achieve this goal, from the beginning of the year, FE CREDIT and its nationwide partners have launched two-wheeler loan packages with interest rates starting at just 0% per year, a credit limit of up to VND 100 million and a range of attractive incentives.

FE CREDIT also continued to focus on developing credit card products, achieving PCI DSS 4.0 Level 1 certification - the highest level of card data security compliance.

### **Support from VPBank and SMBC**

After the restructuring period in 2023 and 2024, FE CREDIT maintained growth momentum, closely cooperating with its parent financial institutions: VPBank and SMBC Consumer Finance Company (SMBCCF) - a subsidiary of the SMBC Group.

VPBank, with an in-depth understanding of the Vietnamese financial market, has built a solid foundation for FE CREDIT. Meanwhile, with global vision and international financial management experience, SMBC has opened up many opportunities for FE CREDIT to continuously move forward.

With the support of the two parent shareholders, a sustainable development strategy and the ability to continuously innovate, FE CREDIT has established a clear business strategy, achieving positive results in 2024. Moving into 2025, FE CREDIT remains committed to the "Customer-centric" approach as a guiding principle in business and operations.

Through digitalization, the company will provide customers with a comprehensive financial ecosystem, bringing secure and convenient experiences. To build trust and foster long-term customer loyalty, FE CREDIT will "tailor" promotion programs and new products and services to meet the diverse needs of customers.

Additionally, training initiatives, system capability development, talent cultivation and organizational culture building will remain core strategic priorities for FE CREDIT in 2025. After two years of implementation, the group operating model has proven effective in the company's management and operations. FE CREDIT plans to continue leveraging the strength of the ecosystem and the group's resources to achieve its strategic goals.

### **Outstanding awards in 2024**

- **FPT IS**
  - PCI DSS 4.0 Level 1 certification
- **MMA Smarties Vietnam 2024**
  - Gold prize, Real-time Marketing category
  - Silver prize, Lead Generation/CRM category

- **Vietnam Report**
  - Top 5 Trusted Financial Companies for 2024 in the financial sector

## **OPES Insurance Joint Stock Company (OPES)**

Business registration certificate	No. 79/GP/KDBH issued by Ministry of Finance on March 20, 2018 and revised on October 14, 2024
Registered business address	Level 6, No. 5 Dien Bien Phu, Dien Bien ward, Ba Dinh district, Hanoi
Business line	Non-life Insurance
Charter capital	VND 1,265,000,000,000
% owned by VPBank	99.13%

The year 2024 marks two memorable milestones as OPES was among the top 5 non-life insurance companies with the highest charter capital in the market and became one of the 500 largest private enterprises in Vietnam.

### **Reaching new heights with digitalization**

Considering digital transformation as a key factor in the development strategy, OPES has proactively adopted advanced technologies such as AI, Big Data and other modern digital systems in operations and business activities over the past 6 years. This strategy has enhanced business efficiency, optimized operational processes and expanded the customer base.

By the end of 2024, OPES successfully issued more than 231 million insurance contracts on online platforms, more than 2 times the number in 2023, averaging over 600,000 contracts/day and serving a customer base of over 20 million. The company also established partnerships with more than 30 companies nationwide, spanning across multiple sectors, providing a series of non-life insurance products that comprehensively protect each customer's life journey.

OPES is on the rise and steadfastly solidifies its position in the insurance industry in Vietnam. Becoming one of the 500 largest private enterprises in Vietnam marks a significant milestone for the company and serves as a driving force for OPES to continue its journey toward becoming a pioneering digital insurer with sustainable development in the digital era.

### **Support from the group operating model**

The group operating model which has been implemented at OPES since 2024 has produced positive results, including optimization of resources, enhanced recognition and reputation by linking OPES with the VPBank's brand and ecosystem.

Leveraging VPBank's resources and support, OPES has expanded its customer base through cross-selling on transaction platforms such as VPBank NEO and developed co-insurance models with leading market players. As a result, the company has gained market share in new business segments, notably health insurance, driving exceptional revenue growth and positioning its profitability among the highest in the industry.

In 2024, OPES's charter capital increased by VND 715 billion to VND 1,265 billion, among the top 5 non-life insurers in terms of capital. This strengthened capital base reinforces OPES's financial capacity and market credibility.

#### **Outstanding numbers in 2024**

- Revenue reached over VND 3,200 billion, up nearly 2 times compared to 2023
- Profit before tax reached VND 473 billion, up more than 3 times compared to 2023, the highest since 2018
- Issued over 231 million online insurance contracts, more than 2 times the figure in 2023
- Served a customer base of more than 20 million

#### **Outstanding awards in 2024**

- **ASEAN Awards 2024**
  - Top 10 Outstanding Enterprises
- **Insurance Asia Awards 2024**
  - Auto Insurance Initiative of the Year
  - Virtual Insurer of the Year
- **Vietnam Report**
  - Top 500 largest enterprises in Vietnam (VNR500)
  - Top 500 most profitable enterprises in Vietnam (PROFIT500)

#### **Leading vision**

During the 2025 – 2029 period, OPES aspires to become the number 1 company in digital insurance and non-life insurance in a fiercely competitive environment. For 2025 alone, OPES has set bold targets, including a 54% increase in insurance premiums, a 45% rise in profit and maintaining its position as the industry leader in terms of financial efficiency. To achieve these objectives, OPES will maximize the potential of the ecosystem, strengthen multi-channel marketing and communications, seek strategic partnerships and collaboration with external partners and accelerate business growth through digital platforms.

OPES will also accelerate the adoption of advanced technologies such as AI, GenAI and Big Data to conduct market research and analysis, enabling proactive product development and continuous innovation to offer comprehensive solutions tailored to customers' life journey. Simultaneously, the company will continue to implement cutting-edge infrastructure and technological solutions to flexibly meet business demands while ensuring the security of customers' data.

Regarding the human factor, OPES will uphold its core values and unique corporate culture, standardize a professional working environment to establish itself as a leading employer brand in the insurance sector.

## **VPBank Securities Joint Stock Company (VPBankS)**

Business registration certificate	No. 106/UBCK-GP issued by the State Securities Commission on April 8, 2009 and revised on December 11, 2024
Registered business address	Levels 21 and 25, VPBank Tower building, 89 Lang Ha, Lang Ha ward, Dong Da district, Hanoi
Business line	Securities
Charter capital	VND 15,000,000,000,000
% owned by VPBank	99.95%

### **Pioneering in perfecting the product range**

Amid fierce competition in the domestic stock market, VPBankS distinguished itself in 2024 by leveraging diverse products, services and pioneering technology. VPBankS's comprehensive product and service ecosystem was fully developed to meet the diverse needs and investment preferences of customers. Over the year, the company introduced a series of groundbreaking, market-leading products.

Notably, the company launched ePortfolio (investment portfolio), featuring products such as Life Portfolio, Market Upgrade, Energy... This pioneering product is designed for clients who are not deeply experienced in stock investment, lack the time to monitor market fluctuations, or are new (FO) investors seeking easy access and enhanced profitability.

VPBankS collaborated with 3 leading fund management companies: Dragon Capital, SSIAM, and VinaCapital to distribute fund certificate products directly through the NEO Invest platform. In 2024, the company also successfully introduced the eFuture derivatives trading system, featuring two futures products based on the VN30 Index and Government Bonds.

Capitalizing on its market-leading capital and ample room for lending, the company launched a series of competitive margin policies such as eMargin 9.9% and Margin 8.6%. At the same time, VPBankS also launched a Loyalty feature (point accumulation), bringing many attractive benefits to customers. Those policies helped VPBankS's margin lending balance reach nearly VND 9,450 billion by the end of 2024, the highest in the company's history.



## **Prospects from the group model**

Introduced in 2023, the group operating model has proven its important role in optimizing resources, creating synergy and enhancing the reputation of subsidiaries in the VPBank's ecosystem. At VPBankS, the group operating model was thoroughly researched in 2024 and will be implemented across key areas, including communications and marketing, human resources, risk management, internal audit, data management and financial management and analytics.

VPBankS aims to leverage the advantages of the group's ecosystem, inherit its management expertise and business strength, and continuously enhance professional excellence while delivering superior products and services to customers.

## **Outstanding numbers in 2024**

- Total revenue reached nearly VND 2,483 billion, up more than 28% compared to 2023
- Profit before tax reached VND 1,220 billion
- Number of newly opened accounts increased by 85% compared to 2023
- Margin lending balance of VND 9,450 billion, among the top 10 securities companies with the largest balance on the market
- Owner's equity reached VND 17,404 billion

## **Outstanding awards in 2024**

- **Enterprise Asia**
  - Fast Enterprise Award 2024
- **Global Banking & Finance Review**
  - Best Wealth Management Product (ePortfolio) 2024
- **Vietnam Best Places to Work 2024**
  - Top 1 Best Place to Work in Vietnam in Financial Services Industry, Medium Enterprises category
  - Top 100 Best Places to Work in Vietnam, Medium Enterprises category
  - Top 2 Favourite Recruiters, Medium Enterprises category

## **Breakthrough in profit and income in 2025**

VPBankS is determined to pursue the goal of becoming the leading securities company in Vietnam. In 2025, the company plans to achieve breakthrough growth in both revenue and profit.

The "Customer-centric" business philosophy was implemented by VPBankS in 2024 and is expected to remain a key driver of the company's growth in 2025. VPBankS will prioritize the development of smart trading platforms with a seamless user experience, enhanced security, integration with diverse financial products and professional advisory services to elevate service quality and foster prosperity for investors.

In parallel with refining the product ecosystem, from savings to investment, to offer a comprehensive financial solution, VPBankS will continue its digitalization strategy and leverage technology to build a convenient, secure and sustainable investment environment for customers.

## 4. Development directions

### Business directions

VPBank has identified 7 key targets under the third 5-year development plan (2022 - 2026), including:

- Accelerate retail banking growth by deepening presence in upper and mid-tier segments & refocusing on opportunity segments.
- Ramp up the volume and market share of SME through comprehensive initiatives and financial solutions as well as partnership ecosystem expansion.
- Grasp every partnership opportunity to develop transaction banking and payment services, and penetrate into new or emerging industries such as FDI to target large corporate revenue pools.
- Ramp up ongoing push towards digitalization and technology across segments and products.
- Continue to leverage Advanced Analytics across the customer lifecycle to drive enhanced decisioning and manage credit risk.
- Continue to invest in and expand ecosystems to provide customers with the best financial services, look for new growth drivers and business opportunities in investment banking, wealth management...
- Strengthen and improve Organization Health Index (OHI) to attract and retain talents.

### Pursuit of Sustainable Development Goals

Refer to the summary content in Chapter VIII. Environmental, Social and Governance report and the independently published **2024 Sustainability Development Report**.

## 5. Risks

### **Comprehensive identification and management of material risks**

VPBank continued to be a standout performer by proactively managing macroeconomic fluctuations in 2024 thanks to a robust Risk Management Framework and strategic efforts to implement diverse solutions for all key risks. The bank maintained effective credit quality control, keeping the standalone NPL ratio below 3%, ensuring stability and sustainability in business operations.

At VPBank, the Risk Management Framework is comprehensively developed in compliance with current regulations and tailored to the bank's actual conditions, while also striving to align with advanced international practices. Based on this, VPBank has implemented a prudent risk management process to ensure that all material risks are identified, measured, monitored, reported, continuously controlled or promptly mitigated on both a bank-wide and business unit basis.

To establish an effective and comprehensive risk management process, VPBank has adopted the 3 lines of defense model within its Risk Management Framework, clearly defining the roles and interactions of key stakeholders. These 3 lines of defence comprise of: business units (1<sup>st</sup> line), the Risk Management Division and the Legal and Compliance Division (2<sup>nd</sup> line) and Internal Audit (3<sup>rd</sup> line).

The leadership team, bearing the ultimate responsibility for the Risk Management Framework, consistently exercises close supervision and promptly issues appropriate directives to ensure that all risk acceptance decisions align with the bank's risk culture, business strategy and the interests of stakeholders within the defined risk appetite.

VPBank has continuously strengthened and enhanced its Risk Management Framework, with the ambition of pioneering the adoption of the most advanced international practices in Vietnam. After successfully completing all 3 pillars of Basel II ahead of the SBV's deadline, the bank has continued to update its risk management system to meet even higher standards.

Accordingly, the CAR ratio is periodically calculated not only using the Standardized Approach (SA) under Basel II (in compliance with Circular 41/2016/TT-NHNN) but also using the Internal Ratings Based (IRB) approach under Basel II/Basel III. With regard to Basel III

standards, in addition to liquidity risk management, which has been successfully implemented since 2021, VPBank is further refining its processes, regulations models, and IT infrastructure to comprehensively address other key risks, including credit risk, market risk and interest rate risk in the banking book.

It is expected that in 2025, VPBank will achieve the goal of comprehensively piloting Basel III standards for the Risk Management Framework, with a leading audit firm independently reviewing the methodology and risk calculation results.

## **Credit Risk**

### ***Definition***

The risk of loss due to an adverse change in the creditworthiness of a partner/customer arising from (i) A customer's failure or inability to meet part or all of their debt payment obligations under the contract or agreement or (ii) A partner's failure or inability to meet part or all of their payment obligation before or when due.

### ***Risk management in 2024***

The banking industry continued to face challenges in controlling asset quality in 2024, as the system-wide on-balance sheet NPL ratio stood at 4.55% by the end of September 2024, roughly equivalent to the level at the end of 2023 but significantly higher than the 2% recorded in 2022, mainly due to the lower than expected recovery of consumer demand and the real estate market (particularly in the South), which affected the debt repayment capacity of retail and corporate customers.

In that context, VPBank analyzed and identified core risks, developed action plans to adjust credit policies and portfolio monitoring systems. Thanks to these efforts and macroeconomic improvements in the last 3 months of 2024, the bank's NPL ratio at the end of 2024 was kept stable at 2.47% on a standalone basis, lower than the same period in 2023.

### ***Plan for 2025***

Following the Government's and the SBV's directives on economic and credit growth, VPBank will expand access to credit for several priority sectors, such as green loans, social housing loans, the development of the manufacturing and processing industry and

import-export businesses... This policy aims to maximize businesses' access to affordable capital, help them overcome difficulties, expand production and stabilize the economy.

In regard to technology, VPBank continues to develop automated tools and systems to enhance risk identification, improve forecasting accuracy and control the NPL ratio. In addition, concerning the mandatory transfer of GPBank, VPBank will provide support in terms of human resources and systems to manage credit risks and enhance business efficiency for the transferred bank.

## **Liquidity Risk**

### ***Definition***

The risk that the bank (i) Is unable to meet its debt payment obligations when due; or (ii) The bank is able to meet its debt payment obligations but at a higher cost than the market average.

### ***Risk management in 2024***

Throughout 2024, VPBank maintained stable liquidity with a solid buffer to withstand unexpected liquidity shocks. By December 31, 2024, the bank's liquidity reserve ratio had reached 16.8%, significantly higher than the SBV's requirement of 10%.

In addition, the bank conducted liquidity stress tests twice a year to estimate more accurately the potential impacts on liquidity and develop appropriate contingency plans. In particular, the stress test scenarios were adjusted to reflect the economic environment in 2024, taking into account the impact of (i) Geopolitical conflicts in Ukraine and the Middle East, (ii) A decline in global trade and (iii) The response of major central banks.

Furthermore, the bank's liquidity contingency plan was periodically updated in 2024 to (i) Promptly adjust liquidity contingency triggers in response to complex market fluctuations and (ii) Refine coordinated operational flows during liquidity stress events to align with the current structure of business divisions. These adjustments have strengthened the bank's ability to respond effectively to potential stress scenarios.

### ***Plan for 2025***

In 2025, to strengthen liquidity risk management in line with Basel III standards, VPBank will officially apply the Liquidity Coverage Ratio and the Net Stable Funding Ratio, equipping the

leadership with additional tools to manage and balance growth targets while ensuring the sustainability of the bank's liquidity profile.

## **Market risk**

### ***Definition***

The risk of losses arising from adverse movements in market factors, resulting from direct investments in financial instruments and products which price fluctuations are affected by these factors.

### ***Risk management in 2024***

In 2024, leveraging the Kondor system, VPBank efficiently and swiftly executed large volume transactions, derivative financial transactions and introduced new products to help customers hedge interest rate risks on VND.

VPBank was also the first bank in Vietnam to implement the market data validation process on the Kondor system, ensuring the accuracy of input data. This enabled the bank to closely monitor market fluctuations, promptly identify risks and make effective preventive recommendations. Additionally, the Market Data Validation System has been successfully migrated to the cloud, enhancing operational efficiency and delivering results faster than traditional platforms.

### ***Plan for 2025***

VPBank will conduct assessments to propose effective risk management solutions for new products amid the constantly evolving domestic and international financial markets.

## **Interest rate risk in the banking book**

### ***Definition***

The risk arising from adverse movements in interest rates to VPBank's income, asset value, liabilities and off-balance sheet commitment in the banking book.

### ***Risk management in 2024***

To limit interest rate risk in the banking book, VPBank restructured the weightings and terms of assets and liabilities in the banking book to mitigate the negative impact of interest rate fluctuations on the bank's net interest income and economic value.

VPBank also continued to review and periodically update the risk measurement methodology; monitor, supervise interest rate risk limits in the banking book, such as the repricing gap profile and changes in the economic value of equity (Delta EVE)... in accordance with SBV's regulations and with a view to meeting Basel III standards.

### ***Plan for 2025***

Based on the approved methodology, VPBank will officially apply Delta EVE in managing interest rate risk in the banking book. This metric not only meets Basel requirements but also enables the bank to control potential interest rate risk, thereby maintaining a solid capital foundation for the future.

### **Operational risk**

#### ***Definition***

The risk resulting from inadequate or failed internal processes, by people, errors, system failures or external factors that cause financial losses and non-financial impacts on VPBank.

#### ***Risk management in 2024***

In 2024, VPBank made remarkable progress in operational risk management, notably improving methodologies for risk management tools such as: Loss reporting, loss data, Key risk indicators, Risk control self-assessment and scenario analysis... As a result, operational risk management became more effective and aligned more closely with the most advanced international practices, supporting VPBank's development strategy.

With the goal of enhancing analytical capabilities to detect and provide early warnings about operational risks, VPBank has set a clear roadmap for adopting the most advanced standard - the Standardised Measurement Approach (SMA) under the revised Basel III Standards.

Specifically, the bank has completed key initiatives to improve the quality of loss dataset, including: (i) Mechanisms and tools for data cleansing and (ii) Mechanisms and tools for data linkage. These mechanisms and tools serve as a foundation for advanced analysis, providing in-depth reports for executives and business units, as well as critical input for upgrading the Operational Risk Management System.



In 2024, operational risk management in digitalization and outsourcing was a key focus to identify, control and mitigate potential risks, thereby optimizing the bank's resources while delivering greater benefits to customers and partners.

### ***Plan for 2025***

VPBank will enhance the proactive detection and early warning of risks, particularly fraud through data analytics and other technology solutions. New initiatives will continue to be implemented, with a focus on the automation of reporting to improve operational efficiency, optimize resource utilization and minimize errors. Regarding data management, the bank plans to complete the standardization of the loss dataset to meet the requirements for calculating capital for operational risks under Basel III and the SBV's regulations.

### **ESG risk**

#### ***Definition***

The risk of any negative financial impact on the bank arising from the current or future impacts of ESG factors on its partners, investment assets... The ESG risk is both a standalone risk and a transitional risk, manifesting itself through traditional financial and non-financial risks.

#### ***Risk management in 2024***

VPBank is a pioneer in developing and implementing a comprehensive ESG Risk Management Framework that aligns with international standards and practices. In 2024, the bank continued to enhance the integration of ESG risks into its Risk Management Framework.

VPBank implements its ESG risk management framework through: (i) Incorporating climate risk management aspects into risk appetite when setting credit limits for the coal-fired power sector (ii) Developing ESG risk measurement tools such as scenario analysis and stress testing and (iii) Emphasizing environmental and social risk management in credit activities through the Environmental and Social Risk Management System (ESMS).

Developed by VPBank in 2016, ESMS is periodically reviewed and upgraded to comply with current legal regulations and IFC standards. The system enables the assessment of risks in credit granting to corporate and household customers, ensuring that VPBank's financing

decisions align with sustainable development criteria and do not negatively impact the environment or community.

Additionally, the bank has also been a market leader in ESG information disclosure through its Sustainability Report, adhering to international standards such as the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs) since 2018. VPBank is also proud to be the only financial institution in Vietnam to publish the Climate Financial Report for 3 consecutive years, following the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

### ***Plan for 2025***

In the coming period, to support the green transition and foster a low-carbon economy, VPBank will gradually implement its Transition plan to achieve Net Zero by 2050. The bank has established clear objectives and specific actions for each phase, focusing on refining methodologies and expanding ESG risk assessment scopes, including climate risk stress testing and greenhouse gas emissions measurement. Through these initiatives, VPBank will enhance the integration of ESG risks into existing risk management processes and strengthen ESG risks governance to meet leading international standards.

### **Information security risk**

#### ***Definition***

The risk of potential losses for VPBank due to threats exploiting vulnerabilities in information assets. Information technology risk refers to the potential for losses at VPBank arising from activities related to information systems.

#### ***Risk management in 2024***

In 2024, the international and local cybersecurity landscapes continued to face many serious challenges as the number and complexity of attacks increased. Common forms of attacks included: ransomware, phishing, malware and personal data theft. To address this situation, VPBank continued to increase investment in comprehensive cybersecurity solutions.

The bank received certification for implementing international information security management standards such as ISO 27001 or Payment Card Industry Data Security (PCI DSS), demonstrating a strong commitment to standardization and the application of international

best practices. VPBank also collaborated closely with AWS to deploy information security measures on the cloud from the outset.

To comply with Decree 13/2023/ND-CP on personal data protection, VPBank undertook several initiatives, including obtaining customer consent and preparing impact assessment reports, laying the groundwork for full compliance once the Law on Personal data protection comes into effect in 2025.

Additionally, in compliance with Circular 17/2024/TT-NHNN issued by the SBV, in 2024, VPBank has collected, consolidated and utilized a centralized biometric database for the Retail Banking Division's product flows. The bank has gathered and stored biometric data, including facial recognition and customer information, for over 6.5 million individuals. This initiative has significantly enhanced accuracy and reduced identity fraud in newly opened accounts to below 1% by Q4 2024.

### ***Plan for 2025***

To address the growing number and complexity of risks and challenges in cyberspace, VPBank will implement comprehensive solutions in line with its information security strategy for the 2025 – 2027 period.

In terms of technology, VPBank is exploring the application of AI solutions for information security systems to optimize threat detection and response to cyberattacks. Regarding processes, the bank will continue to implement international standards for information security management and operations while ensuring compliance with legal regulations.

As for human resources, VPBank will enhance the capabilities of the information security team in accordance with the 3 lines of defense model, fostering close coordination among defense layers to enhance effectiveness and minimize risks.



# Business performance in 2024

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### **III. Business performance in 2024**

#### **1. Business performance**

##### **Business achievements in 2024**

##### **Robust recovery, steady toward the future**

Following a period of volatility, the global economy returned to a recovery trajectory in 2024 as consumer demand, investment and trade improved, laying the foundation for stability and sustainable development. As a dynamic economy in the region and increasingly integrated into the global flows, Vietnam resiliently overcame difficulties and increasingly recorded many positive signals, especially by the end of the year. Proactively identifying opportunities and responding flexibly to challenges, VPBank steadfastly pursued its business goals, strengthened foundational systems and enhanced its governance capabilities, laying the groundwork for a breakthrough phase. The relentless efforts of the entire ecosystem enabled VPBank and its subsidiaries to achieve impressive profit growth. VPBank affirms the position as a leading private bank in Vietnam, along with its commitment to delivering sustainable value to customers, shareholders and the community.

- In 2024, VPBank selectively increased credit growth and accelerated its scale expansion in Q4. The bank maintained strict risk management to respond flexibly to new challenges. The bank's consolidated credit grew by 18.2%, with contributions from all segments, notably the strong recovery of its consumer finance subsidiary, FE CREDIT. Thanks to these results, VPBank's total assets at the end of 2024 reached VND 923,848 billion, approaching the VND 1 quadrillion mark. Concurrently, the capital base continued to be strengthened as consolidated owner's equity increased to VND 147,275 billion, while CAR reached 15.5% - the highest in the banking sector.
- VPBank continued to closely and efficiently manage its balance sheet, built a solid liquidity buffer and effectively controlled funding costs. In 2024, by optimizing customer funding portfolios and diversifying international medium- and long-term funding sources, the bank's funding cost was 4.5%, down nearly 200 basis points compared to the full year 2023, significantly supporting net interest income growth. VPBank's TOI has consistently maintained its leading position among private banks for many consecutive years, reaching VND 62,255 billion.

- Thanks to its flexible business strategy, enhanced operational efficiency and strict asset quality control, VPBank's consolidated profit before tax reached VND 20,013 billion, an impressive growth of 85.2% year on year, placing it among the industry's leaders. The parent bank contributed VND 18,260 billion in PBT, up 35.6%. Among its subsidiaries, FE CREDIT recorded a profit before tax of VND 512 billion, marking a strong recovery after two years of restructuring.
- With a strategy to build a comprehensive and differentiated ecosystem serving all essential customer needs, VPBank is pleased to welcome the onboarding of GPBank, which is expected to enhance synergies and boost its competitive position in the market. This event once again reaffirms VPBank's crucial role and the trust from the Government and SBV, contributing to the stability of the financial and monetary markets while strengthening investor and public confidence in the banking system.
- For the first time, VPBank was honored among the Top 10 Best Corporate Governance Companies – large-cap group in 2024, while maintaining its position in the Top 20 stocks with the highest ESG scores in the Vietnam Sustainability Index (VNSI) of HoSE for 6 consecutive years. These achievements affirm VPBank's unwavering commitment to promoting sustainable development, while striving to increase long-term value for shareholders and stakeholders.

The foundation built and strengthened in 2024 will be an important stepping stone for VPBank to continue its journey of sustainable growth and create prosperity, contributing positively to the nation's development. On this journey, VPBank aspires to become one of the 3 largest banks in Vietnam and rank among the top 100 largest banks in Asia.

### **Actual vs planned**

Despite the growth momentum in 2024, the economy still faced numerous challenges, such as uneven expansion across sectors. Additionally, consumer demand rebounded slower than expected and unresolved bottlenecks in the real estate market somewhat hindered credit growth and increased provision expenses. Signs of recovery in system-wide credit only emerged towards the end of the year. However, stagnation in the insurance and securities markets significantly affected banks' fee income from services.

Amid these shifting dynamics, VPBank strived to flexibly achieve its growth targets, expanded into new and promising segments and continuously strengthened its foundation

while reinforcing the risk management framework. These efforts reflect VPBank's proactive approach to adapting to market dynamics and pursuing long-term visions. Nevertheless, the market fluctuations in 2024 significantly impacted the bank's business performance.

- VPBank completed paying nearly VND 8,000 billion in cash dividends to shareholders at a payout ratio of 10%, fulfilling the target set at the Annual General Meeting (AGM). This marked the bank's second year of cash dividends, demonstrating a strong commitment to shareholder interests and reaffirming the sustainability and stability of its long-term development strategy.
- VPBank's consolidated total assets reached nearly VND 923,848 billion by the end of 2024, up 13% from the beginning of the year, achieving 94.7% of the target. With this result, VPBank firmly stands among the leading private joint-stock commercial banks, with total assets approaching the VND 1 quadrillion milestone.
- Consolidated credit to customers made its new highs at VND 709,986 billion, up 18.2% compared to early 2024, achieving 94.4% of the target. This result reflects the bank's proactive and prudent approach in controlling asset quality, minimizing potential risks, and ensuring sustainable and stable development.
- Consolidated customer deposits and valuable papers totaled VND 552,642 billion, up 12.7% compared to early 2024, achieving 92.3% of the target and ensuring liquidity safety.
- The parent bank's NPL ratio according to Circular 31 was kept below 3%, reaching 2.47%, in line with the target. Notably, the NPL ratio significantly decreased not only at the parent bank but also at the consolidated level. This resulted from proactive and effective measures in asset quality management, along with strengthened debt recovery efforts.
- Consolidated profit before tax reached VND 20,013 billion, an increase of 85.2% compared to 2023. Although this represented 86% of the AGM's target, it remains a highly commendable achievement, particularly as VPBank ranked among the banks with the highest profit growth in 2024. This was the result of the entire VPBank ecosystem's efforts in optimizing operations and enhancing business efficiency, particularly FE CREDIT's efforts after two years of restructuring.

## **Retail Banking Division (RB)**

Amidst a sluggish recovery in consumer demand and fierce competition among banks, VPBank's RB Division recorded several positive results in 2024. By adopting new technologies and innovating services, RB enhanced customer experience, expanded its customer base, and significantly contributed to the bank's sustainable development.

### **Robust credit growth amidst macroeconomic headwinds**

The credit growth rates of the retail banking segment slowed compared to the previous year due to macroeconomic impacts but showed improvement in the final quarter. By the end of 2024, RB's credit portfolio grew by nearly 5% year on year, reaching nearly VND 260 trillion. New disbursement was made to over 180,000 customers and over 500,000 credit cards were issued in 2024.

Due to challenges in the real estate market, VPBank's mortgage loans grew at a slow pace during the first three quarters of 2024. However, in Q4, this segment saw a strong breakthrough, pushing the real estate's exposure to nearly VND 94 trillion, a 10% increase year on year. The recovery of real estate credit in the last 3 months of the year signaled positive developments, reflecting a gradual improvement in home loan demand.

In 2024, VPBank also "tailored" policies for partners, including Strategic project housing, Real estate refinancing, Business households and RACE Car (auto loans).... Lending interest rates were adjusted to ensure both competitiveness and efficiency for the bank. As a result, auto loan disbursements reached VND 16.600 billion, marking a 41% increase year on year. VPBank maintained its leading position in the new passenger car loan segment (cars with up to 9 seats and pickup trucks), holding a 61% market share.

Additionally, by offering highly flexible unsecured loan products tailored to a wide range of customers, VPBank's loan balance in this segment grew by 8% by the end of 2024 compared to 2023. For household business, the bank also implemented comprehensive financial solutions to meet diverse demands.

In 2024, the bank introduced credit packages bundled with CASA accounts, offering instant loans at the customer's demand and creating a seamless and comprehensive financial



service ecosystem. Additionally, VPBank successfully launched the Buy Now Pay Later (BNPL) service in partnership with Shopee, further expanding its service ecosystem, particularly targeting young customers. VPBank continued to make its mark in the credit card segment with the launch of the versatile VPBank Flex “2-in-1” card, which integrates both debit and credit card functions into a single physical card. According to data from the Vietnam Bank Card Association, by the end of 2024, VPBank had 1.7 million active credit cards, reflecting a 14% growth compared to the previous year. The total transaction volume in 2024 exceeded VND 170 trillion, marking a 14% year on year increase and reinforcing VPBank’s position as the market leader.

Acknowledging that practicing ESG helps improve not only risk management efficiency, but also enhance operational quality and profitability, creating opportunities for market expansion, attracting investment flows and securing technical support from international financial institutions, RB has integrated this strategy into all aspects of its business and operations.

VPBank cooperated with partners including BYD and VinFast to introduce the most flexible and attractive credit packages in the market, creating opportunities for Vietnamese consumers to own leading smart and world-class electric vehicles. At the same time, the bank continuously expanded products with diverse loan packages, flexible interest rates and repayment terms, making loan access easier for all customers and partners, creating a robust ecosystem and supporting areas and customers affected by natural disasters...

### **Diversified funding solutions**

In 2024, VPBank continuously launched various interest rate mechanisms and incentives tailored to each customer segment. The bank also provided a preferential interest rate policy for specific customer groups: the elderly, salary payers, business household owners, families, retirees... Alongside flexible term deposit products on VPBank NEO, VPBank cooperated with VPBankS to launch eKASH product to enhance customers’ earning opportunities.

Additionally, VPBank officially formed a partnership with The Gioi Di Dong and became the first bank to deploy the agent banking model in Vietnam. Through this partnership, customers can now more easily access financial services such as cash

deposit/withdrawal/transfer, opening VPBank NEO accounts and credit cards 100% online... at 3,000 retail outlets of The Gioi Di Dong and Dien may XANH nationwide.

In 2024, VPBank continued to improve funding efficiency alongside scale growth. The average CASA balance increased by 43% year on year and CASA's ratio in the funding structure continued to rise, reaching 12% in 2024 compared to 10% in 2023.

### **Committed to the segment coverage strategy**

In 2024, VPBank remained steadfast in its segment coverage strategy, from Affluent - VPBank Diamond to Mass Affluent - VPBank Prime and CommCredit - Business households, while continuously improving service quality and launching new technology-driven products and services to enhance customer experience across all segments.

#### ***Affluent Banking segment***

Affluent Banking continued to be identified as the bank's key customer segment, with VPBank Diamond products. By the end of 2024, VPBank Diamond had approximately 634,000 affluent clients.

To enhance experience and attract new customers, numerous superior financial and asset management solutions have been implemented, notably those tailored for 4 customer profiles: Diamond Business (entrepreneurs and businesses), Diamond Salary (managers), Diamond Invest (investors) and Diamond Retiree (retirees). Most recently, VPBank launched Diamond Family (a solution suite for the entire family), with distinct policies and privileges.

The bank also continued to provide premium privileges, including airport lounge services, the Diamond Imprint, offering experiences such as 5-star culinary, travel, golf and priority pick-up and drop-off services... ensuring top-tier satisfaction for VPBank Diamond members.

#### ***Mass Affluent segment***

By the end of 2024, the number of Mass Affluent customers using VPBank Prime exceeded 2.4 million. The bank invested heavily in technology, including automation through digital channels for customer care journeys, with a strong emphasis on digitalization and personalization to enhance financial solutions for its customers.

Marking the 3rd anniversary of VPBank Prime – Vietnam's first financial brand dedicated to the young generation striving for breakthrough – VPBank partnered with Nielsen to complete a market research project on Mass Affluent customers and identified four customer profiles: YOLO (dynamic young people), Ambitious Executive (future managers), Business Owner/Investor (business owners/investors), and Care Giver (family-focused individuals).

### ***Household segment (CommCredit)***

Adopting the guiding principle of “Accompanying business households, achieving steadfast prosperity,” CommCredit consistently served upper household customers, including both existing and new clients. VPBank also provided support and guidance to business households, helping them access capital sources more conveniently, while digitalizing payment services to enhance cash flow management and operational efficiency, thereby delivering optimal business solutions.

Additionally, VPBank continued to expand partnerships within the ecosystem of the bank’s customers, attracting clients to utilize payment connection, risk management and NPL control solutions.

### **Bancassurance navigating challenges**

2024 was a challenging yet successful year for the insurance sector, especially non-life insurance at VPBank. Total non-life insurance premium revenue increased by 36% year on year. Notably, standalone health insurance products recorded a 78% revenue growth, significantly contributing to the overall division’s results. The non-life sector also successfully negotiated with partners, helping maintain nearly VND 6 trillion in deposits and is expected to rise to VND 10 trillion in 2025.

In 2024, despite the life insurance market facing a crisis of confidence and stricter regulations, VPBank still achieved positive results through close collaboration with partners and the implementation of flexible strategies. The bank successfully transitioned investment-linked insurance products to term life insurance, ensuring regulatory compliance while adjusting its non-credit revenue structure, shifting focus towards universal life

insurance products, replacing unit-linked insurance. Additionally, VPBank enhanced the customer experience by integrating renewal notifications and life insurance policy management into the VPBank NEO.

### **Heading toward the bank of the future**

In 2024, VPBank opened a new flagship branch in Ho Chi Minh City, the country's largest economic and financial center. This special event marked the very first launch of a flagship branch model in the Vietnamese banking sector, reflecting VPBank's vision of delivering exceptional customer service and reinforcing its pioneering position in the digital era.

VPBank also successfully implemented an instant approval system, a significant advancement in digitizing the credit granting and credit card issuance processes. As a result, application processing time was dramatically reduced from several minutes to just 20 - 30 seconds.

Additionally, in 2024, the bank introduced the Tap2Phone (VPBank T2P) payment acceptance solution for enterprises, stores and household businesses. VPBank T2P serves as an optimal payment touchpoint for both sellers and buyers, offering a flexible, simple and time-saving payment method.

### **Key figures:**

- 15.7 million retail customers, a 36% year-on-year increase.
- 1.7 million credit cards in circulation, a 14% year-on-year increase; card transaction volume exceeded VND 170 trillion, maintaining the number one position in the market.
- TOI grew by approximately 21% year on year
- Auto loans increased by 19% year on year and maintained the number one position for new car loans in the market
- Total non-life insurance premium revenue increased by 36% year on year, maintained number 1 position
- Average CASA balance grew by 43% year on year.

### **Typical awards in 2024:**

- **Global Banking & Finance Review (GBFR)**
  - Best Priority Banking Service in Vietnam
- **International Finance (IF)**
  - Best Priority Banking Service in Vietnam
- **Bao Dau tu (Vietnam Investment Review)**
  - Outstanding Priority Customer Service in the 2024 Typical Financial Management Products/Services Voting Program
- **The Digital Banker**
  - Best use of Customer Feedback

### **Breakthrough in 2025**

In 2025, as the economy accelerates and breaks through, VPBank will strive to establish a solid foundation for the “sustainable prosperity” goal by implementing various initiatives to continuously create sustainable values for customers, investors and the community.

Specifically, VPBank will launch the **Private Banking** model, focusing on providing specialized products and services to high-net-worth customers. VPBank has identified Affluent customers (VPBank Diamond) as a key segment in the coming years and will continuously improve, overcome difficulties and leverage existing strengths to reach 900,000 affluent customers by 2026. The bank will also promote the development of the Mass Affluent (Prime) segment, with the goal of reaching 3.3 million customers by 2026.

In 2025, regarding the credit segment, the bank will promote secured loan growth through flexible financial solutions and expanded policy to maintain and enhance market share. Furthermore, VPBank will focus on short-term credit expansion to optimize NIM while ensuring portfolio quality and sustainable efficiency.

At the same time, VPBank will continue to expand its funding scale through a segment-based product development strategy, diversification of distribution channels and engagement initiatives to reinforce long-term value.

Besides, VPBank will push forward with digitizing the sales process and optimizing product policies for each target customer group. New sales policies will be formulated with a prudent approach, ensuring a balance between growth and financial efficiency. With a flexible

development strategy, the adoption of modern technology and the expansion of strategic partnerships, VPBank is committed to delivering lasting value to customers and the wider community.

Regarding the insurance sector, the bank will continue to expand both non-life and life insurance activities. VPBank will foster cooperation to develop new non-life insurance products, enhancing the technology application to strengthen its leading position. In the life insurance sector, the bank focuses on upgrading sales processes in alignment with the customer journey, improving productivity and sales quality through applying AI/ML and data analysis, while enhancing after-sales service under the “Customer-centric” philosophy.

Beyond business objectives, VPBank remains dedicated to advancing sustainable financial solutions, supporting the Net Zero roadmap by 2050 and contributing to positive environmental and social impacts.

## **SME Banking (SME)**

Benefiting from the recovery of the import-export sector, SME credit recorded strong growth. The Division implemented various government policies and preferential lending programs, collaborating with enterprises for sustainable growth.

### **Preferential credit for sustainable growth**

By the end of 2024, VPBank's SME credit portfolio grew by nearly 32% year on year, reaching nearly VND 70 trillion. Capital was disbursed into key sectors such as real estate, rice, textiles, pharmaceuticals, medical supplies and equipment and trade finance...

To secure ample medium- and long-term funding for enterprises' increasing loan demand, the bank proactively sought and comprehensively collaborated with local and international partners. As a result, SME customers gained access to a diverse range of loan products with competitive interest rates and flexible loan terms. For instance, VPBank's preferential loan package with interest rates from 2.3%/year, supported by the SME Development Fund (SMEDF), was well received by the SME business community.

Additionally, VPBank implemented the Government's directive to launch the VND 120 trillion credit program for social housing by introducing a specialized loan package supporting SME customers who are investors in social housing, worker housing and old apartment renovation and reconstruction projects.

The green credit package for customers with production and business activities in green, clean, and environmentally friendly sectors was also given special attention by the bank and continuously introduced to target customer groups, thereby contributing to the national Net Zero target by 2050.

### **Standing side by side with enterprises**

In addition to promoting credit growth, VPBank continued to invest heavily in technology and automation solutions to optimize operational efficiency, simplify lending processes, enhance customer experience and shorten payment transaction time.

In 2024, the bank completed the automatic fee collection feature and the 100% online credit granting process from the proposal and contract signing stages to disbursement and even collateral release and debt collection. VPBank also pioneered AI adoption to recognize

business registration information and citizen identification cards, saving processing time and minimizing data entry errors.

Simultaneously, REMOTA CA solution, which supports digital signature (eSign) registration on NEOBiz, completely replaced traditional methods, reducing processing time by 90%, with an accuracy rate of 98%, helping enterprises easily own an account in just 5 minutes, anytime, anywhere.

By the end of 2024, VPBank reached a milestone of 150,000 POS installations at SMEs, marking a 700% year on year increase. Several modern payment solutions, including Tap to Phone, Transit Payment with EMV Open Loop toll payment technology and ICCP virtual card payment, were introduced, providing customers and retailers with a variety of payment options.

Efforts to integrate comprehensive payment solutions through partnerships with Be Group, The Gioi Di Dong, and Bach Hoa XANH have steadily strengthened VPBank's leading position in the payments market.

With a deep understanding of the import-export industry and its challenges, such as time zone differences and seasonal business cycles... VPBank focused on diversifying trade finance solutions and implementing a fully online TTR (telegraphic transfer reimbursement) payment system on the NEOBiz application, helping customers resolve operational bottlenecks in their daily business activities.

In addition, VPBank provided outstanding services to import-export enterprises, including advance payment for shipments upon having an export contract, offering the highest discount rates in the market, extended discount periods with competitive fees and interest rates, and a processing time of just 4 hours from document submission to disbursement...

### **Key Figures**

- Credit volume increased 31.7% year on year
- Funding volume increased 10.7% year on year
- Cumulative number of customers reached 160,000 SMEs.

### **Outstanding Awards in 2024**

- **Mastercard Award**



- Leadership in Merchants Sales Volume 2024
- **Visa Award**
  - Leading bank in POS Payment Turnover 2024
  - Leading bank in Corporate Card Field 2024
  - Best Digital Payment Acceptance Partner 2024
- **Global Banking and Finance Review**
  - Best Banking Apps for Micro SME and SME Businesses in 2024
- **International Finance Magazine**
  - Best online payment service banking in Vietnam in 2024

## **2025 Plan**

In a digitalization-driven effort to achieve sustainable growth goals, VPBank will continue researching diverse and flexible financial solutions tailored to the industries and business conditions of enterprises, ensuring they meet customers' production and business loan requirements.

In 2025, in addition to traditional channels, partner and agent banking, especially ecommerce platforms, will be a key strategic focus, promising breakthrough opportunities and expanding the customer base.

## **Corporate and Investment Banking (CIB)**

The positive recovery of large enterprises created favorable conditions for the acceleration of credit and investment activities, enabling CIB to achieve high growth results while maintaining effective risk control.

### **Strategic flexibility for sustainable growth.**

Building on the recovery momentum of large enterprises after the COVID-19 pandemic, CIB developed flexible financial solutions, ensuring swift credit accessibility and promptly channeling capital into production and business activities. Simultaneously, the division exercised stringent risk control measures, minimizing NPL through rigorous screening, appraisal and thorough evaluation of each customer and loan. As a result, CIB achieved growth results according to the highest scenario and controlled NPL at 0.

Facing competitive pressure from peers, CIB continuously adapted its strategy, strengthened partnerships, diversified its funding portfolio and enhanced digital financial solutions. The division successfully fulfilled its funding targets as planned by the bank in each period. Furthermore, the division connected with other VPBank's business units and member companies to optimize sales capacity and increase revenue, achieved positive results and laid a solid foundation for further implementation in 2025.

As part of its digital transformation efforts, CIB advised enterprises to integrate ERP (Enterprise Resource Planning) systems with the bank, enabling seamless connectivity and facilitating customer transactions, financial management and cash flow tracking. Additionally, CIB strongly applied data analysis tools, AI and robotic process automation (RPA) to optimize operating costs and deliver fast, accurate services. These innovations not only improved staff performance but also provided direct benefits to customers.

Aligned with the bank's ESG strategy, CIB launched the Green Loan program, promoting sustainable business models, reducing negative environmental impacts and supporting customers in accessing loan packages with competitive interest rates.

### **Effective asset quality control in 2025**

In 2025, CIB will focus on growing deposits and increasing fee income, while also expanding and diversifying its loan portfolio. The division aims to maintain stringent credit quality and

risk management, ensuring minimal risk exposure. On the technology front, CIB plans to accelerate the adoption of AI and digital financial platforms to enhance customer experience and streamline internal operations. Lastly, the division is committed to building and training a team of highly skilled financial experts to meet the evolving demands of the market.

With sustainable development goals, CIB aims to expand green financial products, integrate ESG factors into the customer financing portfolio, build green financial solutions and support enterprises in the green transformation journey.

## **Commercial Banking (CMB)**

In 2024, amid the context of business expansion in many enterprises, VPBank seized the opportunity to accelerate lending growth in this segment, making a positive contribution to the bank's overall performance.

### **Seizing opportunities**

Harnessing economic growth momentum, supply chain shifts and increasing FDI inflows into the industrial sector, CMB focused on industrial zone real estate enterprises such as Becamex and Kinh Bac in 2024. In the residential real estate sector, VPBank focused on existing customers with projects having good legal status. In addition, the division sought new customers from the ecosystem; customer chains from general contractors, main contractors, and subcontractors; customers referred by other divisions; customers with large import-export turnovers and in industrial parks...

CMB provides customized financial solutions tailored to each enterprise. Beyond offering standard banking products and services, CMB employees work as experts, consistently accompanying customers and providing comprehensive financial solutions and advisory services. The division also pursued a strategy of restructuring its credit portfolio, managing debts, maximizing suspended interest collection and reversing risk provisions. As a result, the NPL ratio improved significantly, reducing risks for both customers and the bank while optimizing revenue and profit.

The division achieved these results amidst fierce peer competition regarding interest rates, credit conditions, and fees... Many enterprises, especially real estate groups, still faced numerous difficulties. CMB stood by customers through difficult times with solutions such as proactively reducing interest rates and fees. These flexible solutions helped the division maintain its scale and leverage its strengths in the core segment.

Towards the goal of sustainable prosperity, CMB integrated ESG factors into its business by focusing on training employees to not only understand green credit but also provide in-depth advisory services to customers, supporting enterprises to integrate green solutions into their operations. As a result, the division's green credit portfolio increased nearly 3.5 times year on year, allocated to many key areas including: green and circular agriculture;

resource recycling, waste treatment and pollution control; renewable energy and sustainable water management in urban and rural areas; green industry, energy saving.

### **2025 growth strategy**

Looking ahead to 2025, CMB will focus on deepening its engagement with core and potential segments, especially real estate businesses benefiting from the production shift trend and residential real estate projects with good legal status. The division will also direct capital flow to enterprises facing liquidity difficulties but possessing good collateral assets, helping the bank expand its loan portfolio. CMB will proactively diversify its funding sources to optimize costs and encourage customers to adopt payment services.

Moreover, the Division will continue leveraging the strength of the VPBank's ecosystem, promoting payment solutions, and co-financing with FE CREDIT and GPBank to enhance efficiency. CMB will also enhance risk control and restructure its credit portfolio, ensuring long-term stability.

Under the ESG strategy, in the coming years, CMB will maintain its focus on customers in sustainable, high-growth sectors such as renewable energy, green agriculture, circular agriculture and energy efficiency improvement projects.

## **Financial Markets and Transaction Banking (FMTB)**

In 2024, FMTB encountered numerous challenges, from securing sustainable funding, responding to exchange rate fluctuations to developing specialized corporate products. Through flexible and effective strategies, FMTB achieved significant milestones, contributing positively to the bank's "Sustainable prosperity" goal.

### **Leading the banking sector in sustainable funding**

In 2024, FMTB's long-term international funding remained entirely dedicated to green and social finance, driving growth and supporting sustainable activities in alignment with VPBank's ESG strategy. FMTB made a significant mark by successfully securing USD 735 million in sustainable funding from global financial institutions, including:

- A USD 400 million syndicated loan with a 3-year tenor, arranged by SMBC, along with Maybank, MUFG, Commerzbank, CTBC and KGI... to support socially impactful sectors under VPBank's Social Finance Framework.
- A USD 300 million bilateral loan with a 7-year tenor from the U.S. International Development Finance Corporation (DFC) provided crucial financial support for VPBank's sustainable finance initiatives, including assistance for SMEs, women-owned SMEs and green projects.
- A USD 35 million loan with a 5-year tenor from the Dutch Entrepreneurial Development Bank (FMO) aimed to support SMEs and promote climate finance.

Furthermore, VPBank and Japan Bank for International Cooperation (JBIC) signed a credit agreement for up to USD 150 million to finance renewable energy projects in Vietnam, contributing to the realization of the Net Zero target by 2050.

In 2025, VPBank will continue to accelerate sustainable funding mobilization from Development Finance Institutions (DFI) to refine its sustainable growth strategy, enhance risk management capabilities, improve investment efficiency, and foster innovation in green finance. This funding will contribute to realizing the Government's greenhouse gas emission reduction commitments and the United Nations Sustainable Development Goals (SDGs).

### **Systematically implementing ESG strategy**

As the focal unit, in 2024, FMTB systematically implemented the bank's ESG strategy development policies and plans. The division cooperated with IFC to enhance capacity on green growth and climate risk management; coordinated with business units to promote green credit and establish a specialized department on carbon credits; cooperated with ADB to study financial access support for women-owned SMEs (We-Fi) and worked with related units to develop policies on social responsibility.

### **Active market maker**

In 2024, VPBank continued to play an active role as a market maker in the foreign exchange, government bond, and interest rate derivatives segments. Over the past year, the Financial Markets Centre (FM) provided interest rate derivative services to major clients, with transaction volumes reaching USD 300 – 400 million. Notably, FM was officially licensed to trade and broker commodity derivatives, laying the foundation for implementation in the coming year.

In 2025, in addition to its profit targets, the center plans to accelerate digitalization in foreign exchange trading, supporting product sales units in promoting and expanding service offerings to customers.

### **Modern transaction bank**

The Transaction Banking Center (TB) under FMTB implemented various solutions to strongly promote transaction banking products with key focuses:

- **Trade finance and supply chain:** VPBank developed specialized financial solutions tailored to industry demands. With the participation of SMBC and FDIC, the bank provided comprehensive supply chain financing solutions, focusing on automotive, motorcycles, FMCG, pharmaceuticals and retail.
- **Foreign exchange trading:** Given the impressive growth in import-export lending in 2024, VPBank offered derivative solutions to mitigate exchange rate and interest rate risks and continued to maintain a leading position in exchange rate and interest rate hedging derivatives.
- **Custody and fund services (CFS):** CFS successfully custodied 1.19 billion VPBank shares issued to SMBC, placing VPBank among the top 5 largest custody banks.

Simultaneously, CFS completed the DSB Custody Bank system to connect with KRX, meeting new regulations.

- **Enhancing digital capabilities:** VPBank NEOBiz Plus version was launched with numerous system improvements and upgrades, adding outstanding features and personalizing the experience for corporate customers.

In 2025, TB will continue to promote financing for import-export customers, leveraging SMBC's strength to expand cooperation with FDI clients. The center will accelerate digitalization, collaborate with foreign fintechs, and develop new products to support import-export enterprises such as online certificates of deposit, online investment...

### **Key Figures**

- Successfully raised USD 735 million in sustainable funding from global financial institutions
- Average outstanding loans for import-export enterprises grew by nearly 2 times year on year
- Total derivatives transaction value in 2024 increased by over 50% year on year
- Total transaction volume via system connection channels increased by 2,6 times

### **Outstanding awards**

- **IFC**
  - Outstanding GTFP Issuing Bank, Digital Banking East Asia and Pacific 2024



## **Foreign Direct Investment Center (FDIC)**

Capturing the opportunity from the strong inflow of foreign capital into Vietnam, FDIC achieved an impressive breakthrough in 2024. With the support of strategic shareholder SMBC, the center leveraged resources, international experience, and an extensive customer network, helping VPBank expand its market share and strengthen its position in the FDI segment.

### **Outstanding Growth**

In its second year of operation, FDIC made significant strides in organizational structure and recorded outstanding development in the FDI customer segment. These results were a proud milestone and are expected to contribute to the growth momentum for VPBank in the future.

To meet the growing demand from FDI customers, the FDIC established: (i) A designated Hunting Department and Farming Department, (ii) A Legal & Compliance Team and (iii) A Credit Management Team within the center.

With the goal of further developing the FDI business, the center introduced two main strategies including: (i) Strengthening cooperation with strategic shareholder SMBC and (ii) Developing an ecosystem to maximize the advantages of the VPBank and SMBC alliance, as well as subsidiaries within the ecosystem.

Thanks to FDIC's efforts and the strong support of SMBC, the center achieved significant growth in customer numbers. By the end of 2024, FDIC served 500 multinational corporations from Japan, South Korea and other major economies—more than double the figure at the beginning of the year. Customer funding increased by 73%, credit grew by over 3 times year on year.

One of the prominent products serving FDI customers has been the Supply Chain Finance Program. Through this product, the bank could provide credit to both suppliers and distributors within the same supply chain. The program was designed with the participation of partners to meet the needs of supporting distributors, boosting sales and minimizing risks. By the end of 2024, FDIC successfully on-boarded two international anchors with a total of 49 distributors for working capital financing or payment guarantee products.

The program strengthened cooperation between the two banks by creating added value for international partners - a loyal customer group of SMBC - as well as enhanced VPBank's ecosystem through the participation of multiple divisions, such as FMTB and SME.

### **3 focus areas for 2025**

Looking ahead to 2025, VPBank aims to serve 1,000 FDI customers, doubling 2024's results. The bank also considers the FDI segment as one of the key growth drivers outlined in its strategic agenda. After reviewing two years of operation and development of the FDI business, with a focus on improving operational efficiency and sustainable growth, FDIC developed 3 new strategies:

- **Country/Sector/Product Focus & Mix:** Based on current trends of FDI, the center has selected specific countries, industries and products to focus on, leveraging the strengths of both VPBank and SMBC.
- **Digging deeper into core clients and creating financial events:** FDIC has identified core customers, developed account plans, and implemented strategies to create and capitalize on financial opportunities for these key clients, with the involvement of SMBC and VPBank's ecosystem.
- **Enhance approaching to touchpoints:** FDIC will approach new investors entering the Vietnamese market through SMBC's resources as well as various information channels, such as Chambers of Commerce.

In addition to the 3 foundational strategies, FDIC also focuses on ESG-related activities, including promoting specially designed products, which were launched at the end of 2024, such as Green Finance and ESG Deposits.

## **Debt Collection Division (DCD)**

Established in June 2024, DCD marks a strategic milestone for VPBank in addressing the increasing demand for risk management, ensuring a consistent, efficient and seamless debt collection process. By centralizing resources and specializing processes, DCD has the bank to implement structured debt recovery strategies, thereby contributing to controlling the NPL ratio within target levels, maintaining financial stability and enhancing credit quality.

DCD aims to be a pioneer in debt collection by leveraging advanced technology, optimizing operational processes and upholding the highest standards of professionalism, reaffirming VPBank's leading position in this field.

### **Strategic role in NPL control**

DCD swiftly established its strategic role in NPL control, ensuring financial stability and supporting VPBank's sustainable growth objectives. The division systematically implemented advanced solutions to expedite collateral processing, optimize procedures and enhance transparency.

VPBank prioritized flexible solutions to assist customers in overcoming financial challenges, strengthening long-term relationships and enhancing market confidence. As a result, the bank's debt collection results in 2024 recorded many encouraging achievements:

- Income from bad debt recoveries more than doubled compared to 2023, contributing VND 5,575 billion to the bank's income.
- Retail customers: Early-stage debt collection (delinquencies under 90 days) improved by 18% year-on-year, while late-stage collection (delinquencies exceeding 90 days) increased by 26%.
- SME customers: Early-stage debt collection improved by 41%, and late-stage collection rose by 86% compared to 2023.

Alongside impressive debt recovery figures, productivity per employee increased by 20%. This is a clear demonstration of the effectiveness of VPBank's pioneering adoption of digital technology, including the AI Callbot solution and automation tools, which optimized operating costs, increased efficiency and reduced manual tasks. At the same time, the division implemented in-depth training and stress management programs, helping

employees improve their professional skills, improving the working environment and fostering motivation.

These results not only confirm the effectiveness of DCD's development strategy but also reaffirm the crucial role of debt collection in VPBank's overall credit procedures .

### **Adopting digital technology for debt collection**

In 2024, VPBank accelerated the application of technology and automation in debt collection, significantly enhancing operational efficiency and customer experience. The synchronized implementation of digital solutions delivered remarkable results.

In particular, the AI Callbot was deployed as an automated debt reminder, covering periods from pre-due to early delinquency stages, thereby saving operational resources and significantly reducing costs. By the end of 2024, 40% of early delinquency cases had been handled by the AI Callbot.

At the same time, VPBank introduced automation systems to replace most manual tasks, ensuring accuracy and improving operational efficiency. Digital technology was also utilized to improve the management and handling of collateral assets, optimizing the debt collection process while minimizing resources and execution time.

In addition, cutting-edge Omnichannel technology solutions enabled the bank to streamline loan balance information sent to customers, facilitating financial obligation tracking and fulfillment while optimizing operational costs in debt collection.

### **Focus on efficiency in 2025**

In 2025, DCD will continue to implement strategic initiatives to enhance credit management efficiency, support sustainable growth and reinforce VPBank's leading position in the market.

Specifically, GenAI and AI solutions, including virtual assistants and process automation, will be increasingly adopted. These advancements are expected to not only boost productivity but also professionalise debt management, contributing to a more efficient and modern credit system.

At the same time, DCD plans to implement legal measures to effectively collect bad debts, ensuring transparency and fairness in the credit system. Operational processes, from task allocation to improving debt processing policies, will also be continuously improved,

ensuring speed, efficiency and consistency in all activities. Recognizing human resources as the foundation for development, the division will continue to provide in-depth training programs, equipping staff with the necessary professional and managerial skills.

Aligned with VPBank's overarching objectives, DCD is committed to integrating ESG principles into its activities in 2025 to enhance operational efficiency and drive sustainable development.

Regarding environmental considerations (E), the division will strengthen digitalization in its processes, reducing paperwork, cutting costs and minimizing environmental impact. To achieve social goals (S), DCD will prioritize customer protection by offering flexible solutions, such as extended repayment plans and interest rate reductions for customers facing difficulties.

## **Risk Management Division (RMD)**

With a modest scale but a high level of openness, Vietnam's economy in general and the banking sector in particular, are highly susceptible to risks and challenges from external factors such as macroeconomic volatility or shifts in monetary policy. Amidst this landscape, VPBank has closely monitored economic developments and adopted a proactive and flexible approach to risk management to maintain stable asset quality, laying a solid foundation to capitalize on growth opportunities in 2024.

### **Market-leading capital foundation, spearheading Basel III adoption**

Throughout 2024, VPBank's CAR remained stable and significantly exceeded the requirements set by the SBV. By the end of the year, the bank's standalone and consolidated CAR stood at 14.01% and 15.5%, respectively, maintaining its leading position within the banking system. This strong capital foundation enables VPBank to expand credit to customers, meet the diverse needs of clients across strategic segments and align with Government and SBV policies to support people and businesses.

Alongside maintaining a stable CAR ratio under Basel II standards, VPBank also conducted periodic calculations of the capital adequacy ratio using the Internal Ratings-Based (IRB) approach under Basel II/Basel III.

Regarding Basel III standards, in addition to successfully implementing liquidity risk management since 2023, VPBank continues to enhance its processes, regulations, models, and information technology to address other key risks, including credit risk, market risk, and interest rate risk in the banking book.

### **Significant improvement in asset quality**

In 2024, the sluggish recovery of consumer demand and the real estate market (particularly in the South) had a significant impact on the repayment capacity of both retail and corporate customers. In this context, VPBank conducted analyses to identify core risk, implemented action plans to adjust credit policies and portfolio monitoring systems.

Furthermore, the bank proactively and promptly implemented debt restructuring to support customers facing difficulties, in accordance with the SBV's support policies introduced in 2024, such as Circular 06/2024/TT-NHNN (extending Circular 02/2023/TT-NHNN on debt restructuring to assist borrowers of business loans) and Circular 53/2024/TT-NHNN (on debt restructuring for borrowers facing difficulties due to the impact and damage caused by typhoon Yagi).

Thanks to improvements in macroeconomic factors during the last 3 months of the year and the bank's stringent portfolio management, VPBank's NPL ratio was controlled at 2.47% for the standalone basis by year end of 2024, reflecting a significant year on year improvement.

### **Focus on digitalization and information security**

At VPBank, risk management systems are continuously upgraded with the goal of faster deployment and more efficient operation. One of the prominent systems upgraded in 2024 was Instant Lending – a new Loan Origination System (LOS) dedicatedly developed for the retail segment. In 2023, VPBank successfully deployed credit card products on Instant Lending. In 2024, the bank continued to deploy 6 more unsecured loan products on this system.

The development of Instant Lending enables the separation of the policy management system (Decision Engine), accelerating policy updates and adjustments while effectively responding to market fluctuations to minimize credit risk. Additionally, the system is equipped with rapid testing features, ensuring configuration quality and reducing operational errors.

Alongside digitalization of risk management system, VPBank also focuses on enhancing information security standards by increasing investment in comprehensive cybersecurity solutions, including:

- Complied with personal data protection regulations under Decree 13/2023/ND-CP and developed a centralized biometric database within the SBV's deadline (before January 1, 2025), without hindering the bank's business operations.

- Collaborated with AWS to implement information security controls from the outset of the cloud migration process, ensuring that applications and services on the cloud platform are deployed securely and efficiently while optimizing costs and performance.
- Reviewed and continuously upgraded the information security management system, ensuring compliance with advanced international standards such as ISO 27001 and PCI DSS, demonstrating the bank's commitment to standardizing and adopting international cybersecurity standards.

### **Strengthening a solid foundation for a sustainable growth strategy**

Looking ahead to 2025 with a more positive economic outlook, VPBank will continue to manage risks prudently while remaining prepared to seize opportunities, establishing a solid and secure foundation for medium and long-term sustainable growth strategy across the entire ecosystem.

In line with the government and the SBV's directives on economic and credit growth, VPBank will expand credit access to priority sectors, including green finance, social housing loans, manufacturing and processing industry development and import-export businesses... The bank will also advance automation to strengthen risk identification, enhance forecasting accuracy and control NPL.

Furthermore, in 2025, following an independent review of the methodology and calculation results for key risks by a leading auditing firm, VPBank aims to take the lead in fully piloting the Basel III standards for the Risk Management Framework, in line with the direction set by the SBV.

With the commitment to support green transformation and develop a low-carbon economy, VPBank will expand the scope of ESG risk assessment, including climate risk stress testing and greenhouse gas emission measurement, integrating ESG risks into the governance system and meeting leading international standards.



## **Operations Division (OPS)**

VPBank continued to make significant strides in enhancing operational efficiency and strengthening customer engagement in 2024. By leveraging advanced technology and fostering a customer-centric culture, the bank has been consistently creating sustainable growth, delivering seamless and superior experiences to customers.

### **Automation, optimization, and customer insight: The foundation for sustainability**

In 2024, to enhance efficiency, build a sustainable foundation and foster long-term customer engagement, OPS focused on 3 key priorities: (i) Automation, pioneering the application of new technologies, (ii) Operational optimization and (iii) Customer insight and personalized experiences.

Thanks to a proactive approach to automation and technology adoption over the past years, in 2024, the division successfully automated an additional 102 processes, bringing the total number of automated processes to 332. Beyond this, the bank's automation capabilities have reached the level of "Hyper Automation." By leading research efforts and integrating robotics with advanced technologies such as AI and ML, VPBank has developed a new generation of bots capable of independently handling tasks such as automated reconciliation of insurance/card transactions, monitoring and reporting suspicious transactions and tracking compliance metrics for Mastercard...

These technology-driven workforce (auto bots) have significantly enhanced the bank's transaction processing capacity. By the end of 2024, transaction processing capabilities had increased by 300% compared to 2021, equivalent to nearly 8.3 million transactions per year and will further improve in the future.

Additionally, OPS has continuously implemented initiatives to reduce costs and increase productivity, laying a solid foundation for its sustainable development goals. As a result, the bank's operational optimization efforts in 2024 delivered impressive figures:

- Transaction processing volume grew by an average of 52% per year over the past 5 years, despite staffing levels remaining nearly unchanged.
- Operating expenses were only 85% of the budget, demonstrating the effort to optimize operations effectively.
- In 2024, the bank implemented 227 initiatives, reducing costs by VND 59 billion.

- The SMS and CIC cost optimization projects helped reduce operating costs by more than 40 billion VND per year.

Alongside internal operational optimization, VPBank also focuses on building and elevating long-term customer relationships based on a customer-centric approach. The "Be a Customer" mindset - placing oneself in the customer's position - is encouraged in every initiative, ensuring a seamless and optimal customer experience.

Customer feedback-gathering capabilities were strengthened by AI and ML technologies, enabling the bank to automatically collect and analyze over 20,000 feedback/day. From this data, 187 systemic issues have been identified and addressed in 2024, laying the groundwork for a series of customer experience improvement initiatives.

In 2024, VPBank piloted the Conversational Banking model to develop interaction channels for customer support and consultation, provide information on application processing progress and record transaction requests on the Customer Care Portal and VPBank NEO digital banking. The launch of the SME sales support software, Savi, facilitated customer consultation.

The bank also implemented various customer behavior models based on Big Data and AI/ML, helping to predict and proactively support customer base expansion needs. Some highly applicable models include credit card usage behavior prediction and preferred survey channel prediction...

### **3 focuses for 2025**

With a strategic focus on ensuring that operational efficiency aligns with sustainable development, in 2025, OPS will prioritize 3 key areas: (i) Accelerating automation, (ii) Enhancing customer experience differentiation and (iii) Strengthening operational risk control.

To further increase productivity by at least 30%, while digitalization rates in multiple business areas have already reached 90%, OPS considers the full utilization of advanced technologies such as AI and ML a prerequisite. The pillars of automation efforts include: AI and Deep Analysis, Intelligent Automation, System-based Optimization, Process Re-engineering and the development of a culture of innovation and adaptability. In 2025, OPS will apply AI in cost estimation and decision-making process optimization; integrating

technologies such as robotic process automation (RPA), AI, ML, business process management (BPM) into various departments, including mortgage lending for retail customers, strategic partner-linked lending, SME disbursement, payments, and LC control... to reduce task completion times by at least 25%. OPS plans to leverage Deep Analysis to personalize services and refine operational models by incorporating technological advancements to create exceptional and distinctive value.

Regarding customer experience, the division will focus on two priorities: Understanding customers and personalizing experiences. Leveraging the advantage of databases and understanding of new technologies, OPS will continue to improve customer feedback programs, especially X-Customer (secret feedback collection). Besides, the Conversational Banking model will be expanded to two projects: Omni Service Transparency and Corporate Customer Engagement.

In the context of rapid digital transaction development and increasing process digitalization, OPS will also focus on strengthening risk control capabilities through automation and in-depth inspections. The division plans to develop post-check tools, automated alerts and risk forecasting models - particularly AI-driven card risk detection. Additionally, 16 specialized audits on digital operations and 54 system reviews will be conducted to identify potential risks. Furthermore, OPS will increase direct inspection activities by 10%, prioritizing branches with high risk and large treasury.

## **Enterprise Data and Analytics Division (EDA)**

After two years of transformation and development, EDA has firmly established its core foundational components to harness the potential of data and AI while driving innovation.

### **Unlocking the potential of AI**

In 2024, VPBank launched and implemented key advanced analytics and AI initiatives across multiple areas, including Retail Banking, SME Banking, Debt Collection, Customer Experience, and Operational Optimization. Concurrently, the bank introduced a comprehensive impact measurement framework, elevating analytics applications from descriptive and diagnostic levels to predictive and prescriptive capabilities.

Specifically, in Retail and SME Banking, predictive models and recommendation systems have helped identify high-potential products and match them with the right customers through optimal engagement channels. In Debt Collection, EDA deployed solutions focusing on predicting a decline in repayment capacity and determining the most effective timing, methods and channels for engagement.

For Customer Experience enhancement, natural language processing (NLP) and GenAI applications have facilitated automated interactions and customer sentiment analysis. In Operations, automation and predictive modeling have significantly improved productivity through intelligent data extraction tools, image processing and optimization of branch and transaction channel activities.

To spearhead GenAI adoption, EDA & IT division collaborated to establish the GenAI Taskforce to drive bank-wide overarching strategy in program management and GenAI application development. The pilot deployment of Microsoft Copilot for bank employees has demonstrated a substantial productivity improvement.

### **Modernizing the data platform**

In 2024, the centralized enterprise data warehouse was successfully stabilised, playing a pivotal role in providing accurate and timely data to support business and operational decision-making. System service level agreements (SLA) and turnaround times (TAT) for change requests have improved significantly.

Additionally, the division launched the Next-Generation Data & Analytics Platform (NDAP), fully operated on cloud computing technology. The first phase of the project was completed ahead of schedule in 2024, with EDA building the full capabilities of the new platform, migrating over 60% of the existing data warehouse components to the cloud and introducing 13 new product groups related to data, analytics and AI.

### **Facilitating a culture of innovation**

To further promote innovation and experimentation, EDA collaborated with other business units within the group to launch Winnovate 2024, the bank's first-ever ideathon, guided by Amazon Web Services' (AWS) "working backward" methodology. The competition attracted over 860 ideas from more than 30 business units across the bank, fostering a culture of innovation and creative thinking among VPBank employees.

**Looking ahead to 2025**, EDA will continue to leverage the strong momentum built on its foundational achievements, further enhancing data applications to drive strategic decision-making in identifying high-impact business portfolios, strengthening cross-selling and customer retention, improving service quality, and expanding connectivity across the entire ecosystem. At the same time, the division remains committed to taking a leading role in VPBank's digital transformation journey, realizing the mission of making data a core driver of the bank's sustainable growth.

## **Information Technology Division (IT)**

In its journey to realize the “Sustainable prosperity” goal at VPBank, IT Division serves as a solid foundation, continuously driving innovation and promoting comprehensive digital transformation to deliver tangible value to customers, investors and the community.

With a consistent strategy of digital transformation and digital banking development, VPBank successfully implemented many digitalization solutions in 2024, enhancing customer experience on online transaction channels, shortening waiting times, simplifying processes and improving employee efficiency.

### **Comprehensive digitalization**

VPBank has digitalized over 70% of its services for retail customers. In particular, VPBank NEO digital banking has met most customer needs. The bank continues to enhance the customer journey, improve customer experience, and implement various digitalization initiatives.

The bank also established connections with the National Public Service Portal and the General Department of Taxation to maximise the utilisation and provision of government services for customers.

Thanks to a series of enhancements, the number of newly activated customers on VPBank NEO reached nearly 2.8 million in 2024, with 90% using eKYC online identification technology, bringing the total number of users to 10 million. Total transactions in 2024 reached 700 million, with approximately 1.2 million customers making a total of 2.5 million accesses to the VPBank NEO application daily.

In addition, VPBank has digitalized and automated more than 50% of disbursement and lending decisions for small and consumer loans in commercial banking and finance companies through several applications, including Jarvis, Auto Loan (Race Car), Home Loan, Consumption Loan, Automated Valuation, and Automated Approval... Customer data and records are processed and stored digitally in compliance with SBV regulations.

### **Performance improvement with GenAI**

Along with enhancing customer experience, VPBank also continuously improved staff performance in 2024 through automation solutions. The bank developed the Conversation

AI Platform (CAIP), a shared platform capable of flexibly integrating Large Language Models (LLMs), applying GenAI in customer support services via chatbot channels, and facilitating the utilisation of the bank-wide knowledge base.

Understanding the specific needs of each unit, VPBank introduced ezChatbot with self-service functions, enabling units to configure and create GenAI chatbot applications independently, without heavy reliance on the technical units. Additionally, the ezCode application—a GenAI assistant in the software development process—supported analysis, programming, and testing.

Beyond ezChatbot and ezCode, VPBank plans to expand the deployment of ezAgent (digital agent), ezPolicy (knowledge base utilisation), ezCollection (debt recovery support), and ezData AI Agent (bank-wide data utilisation) in 2025.

In parallel with the development of internal GenAI solutions, VPBank also tested market-available services such as Microsoft Copilot for Microsoft 365 and Power BI, AWS CodeWhisperer, and Tabnine for software development, assessing their feasibility and benefits to ensure flexible and optimal usage.

### **Strengthening security in the digital age**

In the context of increasing cybersecurity threats and fraud, IT proactively implemented various solutions such as (i) communication programmes to raise customer awareness of information security; (ii) instructions on using digital banking services safely and preventing fraud risks; and (iii) proactive programs to protect customers from fraud risks.

In terms of security, the bank obtained prestigious certifications such as PCI DSS (version 4.0) and ISO 27001:2022. VPBank's security experts regularly participate in annual drills organised by the Ministry of Information and Communications and the SBV. In 2024, the bank won third prize in the “DF Cyber Defense 2024” programme.

Alongside the capabilities of its personnel, VPBank continues to invest substantial resources in strengthening security for its information technology systems, leveraging a range of pioneering technologies. Security solutions are invested in synchrony with the strategy of transitioning to the cloud environment.

Furthermore, VPBank is advancing the connection, utilisation, and application of National Population Data, as well as leveraging data from citizen identity cards for customer authentication and identification in banking transactions.

### **Seeking breakthrough opportunities in 2025**

In 2025, IT will focus on 4 main priorities: supporting growth, consolidating a modern technology platform, pioneering innovation and enhancing security capabilities.

To expand sales channels, increase revenue and enhance customer experience, VPBank will work closely with business divisions to implement key projects such as Instant Lending, Account to Pay and Merchant Acquiring...

The bank plans to continue upgrading its information technology infrastructure and deploying new technologies, including cloud computing, AI, Big Data, to enhance system efficiency, stability and scalability.

To develop breakthrough products, services and strengthen competitiveness, VPBank will explore new technology solutions and applications, driving innovation through advancements such as blockchain and metaverse.

VPBank is also committed to strengthening security capabilities by applying advanced technologies to ensure the safety of digital banking services and customers. The bank plans to implement the Zero Trust security model, further modernize its security monitoring system and integrate GenAI technology into security operations.

### **ESG through digital platform**

With a commitment to contributing to the sustainable development of VPBank and society, IT has developed a plan to meet ESG standards for 2025.

To address **environmental (E)** challenges, VPBank will implement energy saving solutions and explore the application of green technology in IT operations. The division will strive to adopt virtualization technology and migrate operations to the cloud, while encouraging staff to use email and electronic documents instead of traditional printouts.

Ensuring information security and customer data protection, and expanding digital and inclusive financial solutions are VPBank's commitments regarding **social (S)** factors. In response to information security risks, the bank plans to apply advanced security solutions,



including AI and ML, to prevent cyberattacks and enhance employee awareness and training. Additionally, the IT will collaborate closely with other units to establish automated transaction points and optimize digital banking with user-friendly interfaces, ensuring accessibility for all people.

Regarding the **governance (G)** factor, VPBank will develop and implement a comprehensive information security strategy across its ecosystem, strengthening IT governance capabilities to ensure efficiency, transparency and compliance with regulations and standards. Specifically, the division will conduct periodic security risk assessments, continuously update information governance policies, regulations, and standards and carry out scheduled IT audits.

## **Human Resources Division (HR)**

In the context of rapid technology development, VPBank continuously invests in people to adapt and stay ahead. The bank actively recruits top talent, especially in technology and data, enhancing workforce capabilities through in-depth training programs.

### **VPBank - Home of Talents**

Staying committed to the goal of becoming the "Home of Talents," VPBank continued to strengthen recruitment programs in 2024, attracting talent for business units such as RB, SME, FDIC and DCD. To attract young professionals in information technology and data science, the bank implemented recruitment and training programs such as SME Trainee and VPBank Technology & Data Young Talents.

In addition, the bank intensified partnerships with universities and educational institutions to identify promising candidates. The "Future VPBanker" and "VPBank Prosperity Scholarship" programs awarded nearly 130 scholarships to outstanding students nationwide. These students serve as both potential candidates and brand ambassadors, helping to promote VPBank's brand and culture.

With the goal of developing a sustainable workforce, VPBank has continuously implemented initiatives to enhance employees' capabilities, including professional skills, core competencies and leadership capabilities. Key training programs launched in 2024 include the VPBank iLEAD Leadership Development Program, CloudLearning and LevelUP.

Notably, the 6<sup>th</sup> cohort of the iLEAD, aimed at enhancing leadership skills for VPBank's middle management team, graduated 48 students. Additionally, to improve employees' cloud computing skills, the bank implemented the CloudLearning and LevelUP programs, attracting hundreds of participants.

In addition to key programs, VPBank has also strengthened bank-wide employee training, with a particular focus on Elearning. In 2024, the total number of online training hours via VPBank's Elearning platform reached nearly 1.02 million hours, marking a 1.5% increase compared to 2023.

The total number of bank-wide training hours (including centralized training, virtual classes, and Elearning) reached 1.68 million hours, a 6.5% year on year increase. The average

training hours per person per year reached 110.49 hours – a high level in the market. VPBank Academy introduced 90 courses on the digital platform and successfully developed an AI Chatbot learning assistant, which is launched in 2025.

### **Preparing the workforce for the future**

To continue to attract, nourish and retain talent in 2025, VPBank will further promote recruitment programs to meet growing demand from business divisions such as RB, SME, and DCD. Recruitment programs and campaigns will be tailored to each workforce segment. VPBank aims to optimize and enhance recruitment efficiency, candidate experience through AI-powered applications and the deployment of the recruitment module on the SAP SuccessFactors system.

As Gen Z candidates increasingly represent a significant portion of the workforce, the bank will strengthen “VPBank Employer” branding, with a particular focus on social media channels such as LinkedIn, Facebook, TikTok and Threads...

VPBank continues to maintain and enhance training programs on core competencies, professional skills, corporate culture, management and leadership capabilities, while also updating knowledge related to cloud technology. For new employees, the bank will continuously refine the MyBoardingPass orientation program.

Aligned with VPBank’s ESG strategy, HR has developed a structured plan to achieve environmental, social, and governance (ESG) objectives in 2025. In terms of the environmental (E) factor, VPBank aims to further digitalize HR processes and minimize paperwork. For the social (S) goal, HR will focus on improving salaries, benefits and working conditions, while also creating job opportunities and sponsoring scholarship programs for students. To fulfill the governance (G) objective, the bank will enhance employee data security and management.

## **2. Investment, project implementation, and subsidiaries**

### **Strengthening the group operating model**

VPBank recognizes that systems and governance capability enhancement are key factors in ensuring operational efficiency and long-term competitiveness. Since 2023, the bank has implemented a group operating model to expand and develop the ecosystem, diversify business areas and provide comprehensive, high-quality products and services to customers. With the vision of becoming a leading financial institution in Vietnam, VPBank expects this model to unlock further growth potential, not only within the bank but across the broader financial ecosystem, thereby contributing to the sustainable development of the economy.

The implementation of the group model at VPBank aims to create synergy and reduce operational overlap by applying a rational and scientific governance system, ensuring consistency in development strategy. Another important goal is to maintain investor confidence, improve funding mobilization efficiency, and ensure sustainable development. Furthermore, VPBank focuses on building an effective interaction process between the parent bank and subsidiaries, promoting cooperation and achieving long-term success. Strengthening risk control and providing transparent reports to shareholders, the leadership and stakeholders are also crucial factors in ensuring transparency and efficiency throughout the system.

### **Welcoming GPBank to the ecosystem**

On January 17, 2025, the State Bank of Vietnam (SBV) announced the decision on the mandatory transfer of GPBank, which is 100% state-owned, to VPBank according to the plan approved by the government. Mandatory transfer is one of the solutions to restructure specially controlled credit institutions as stipulated in the Law on Credit Institutions. The transfer process is carried out in accordance with current laws and approvals from competent authorities with the goal of gradually restoring normal operations, overcoming weaknesses, and gradually putting GPBank into a healthy financial situation, ensuring continuous operation. For VPBank, the bank will have the conditions to expand its business scale, customer base, and network; maintain GPBank as a subsidiary or sell/transfer GPBank to a new investor after the mandatory transfer is completed.

After the transfer, GPBank shall remain to operate as a sole member limited commercial bank, with its charter capital fully owned by VPBank, and conduct its commercial banking activities according to applicable regulations. All legitimate rights of depositors, rights and obligations of customers at GPBank shall be guaranteed in accordance with the agreements and legal provisions.

GPBank is an independent legal entity and its financial statements shall not be consolidated into the consolidated financial statements of VPBank. VPBank and GPBank are entitled to other support measures from competent authorities as prescribed in the Law on Credit Institutions and other applicable legal regulations. Welcoming GPBank into the VPBank ecosystem not only marks a new phase in the bank's development but also demonstrates the government and SBV's trust in VPBank's prestige, capability, and experience. The bank continues to affirm its role in implementing the policies of the Government and the SBV, thereby helping to stabilize the financial and monetary markets, and boosting the confidence of investors and the public in the banking system.

### **Strengthening the digital infrastructure, leveraging AI extensively**

Continuing its relentless efforts in innovation, VPBank successfully established a robust foundation of processes, technology and human resources for its cloud-based digital transformation. In 2024, VPBank executed a comprehensive cloud transformation strategy in collaboration with AWS, aiming to optimize governance capabilities and enhance technological infrastructure.

To date, the bank has successfully migrated 60 systems to cloud infrastructure and completed the construction and operation of a disaster recovery (DR) center for over 90% of applications. This achievement not only marks a significant advancement in VPBank's technology infrastructure capabilities but also ensures stable and continuous operations, even in emergency situations or unexpected incidents.

Furthermore, the bank has deployed a next generation data analytics platform with AWS and Databricks, supporting business optimization and aiming to become a leader in the data field. Advanced technology solutions, such as remote digital signatures and Out of Band authentication methods via the VPBank NEO application, also provide customers with a safe, convenient, and modern online transaction experience.

In 2024, VPBank actively exchanged and cooperated with leading technology partners, such as AWS and Microsoft, in the fields of AI and GenAI, driving strong innovation across the system. Through collaboration in developing and deploying GenAI services with its partners, VPBank built products such as an automated call quality control system, a Voice of Customer analysis tool, and a GenAI chatbot with rapid training capabilities, delivering accurate and focused responses. In 2025, VPBank plans to widely deploy AI applications across the system to increase productivity, optimize operations and enhance the experience of customers, partners and internal stakeholders. These efforts demonstrate VPBank's commitment to pioneering the application of modern technology, delivering sustainable and effective value to customers and partners.

Under strategic consulting from AWS, VPBank successfully organized the VPBank Technology Hackathon and Winnovate – internal creative platforms designed to foster innovation. These programs not only cultivate a positive innovation environment but also enable VPBank to maximize its workforce's creative potential, contributing to sustainable development and the optimization of customer experience.

### **Diversifying products and services, pioneering payment solutions**

VPBank not only a pioneer in technology adoption but also leads in delivering innovative financial solutions. As the first bank licensed by the SBV to implement the payment agency model, VPBank has officially partnered with The Gioi Di Dong to offer customers easier access to financial services at 3,000 locations of The Gioi Di Dong and Dien May XANH nationwide. Under this partnership model, VPBank acts as the principal, providing financial services within the scope of payment agency activities to customers. The Gioi Di Dong, with professional, well-trained and proficient staff capable of operating and supporting customers in financial and banking services, will act as an agent connecting the system to VPBank. Through this partnership, customers can deposit/withdraw/transfer funds at The Gioi Di Dong and Dien May XANH stores just as they would at a VPBank branch. This service is particularly beneficial for customers living and working in areas without VPBank branches, transaction offices, ATMs or CDMs.

In addition to deposit/withdrawal/transfer, customers can also open a VPBank NEO payment account and apply for a credit card entirely online. With an automated system and a well-coordinated process between the parties, all transactions and services are processed

swiftly, seamlessly and securely, ensuring a convenient and safe customer experience. In payment services, in addition to POS and smartPOS, VPBank launched VPBank Tap2Phone (T2P) – a solution that enables enterprises, stores and business households to use their Android mobile devices as card payment acceptance terminals, replacing traditional POS and smartPOS devices. This solution supports a variety of non-cash payment methods, from contactless physical cards (Visa, MasterCard and Napas) to Tap & Pay payment suites, including Apple Pay, Samsung Pay, Google Pay and Garmin Pay, all while adhering to the highest security standards. With T2P, customers can complete transactions quickly, seamlessly integrate with existing sales management software and access comprehensive features like transaction inquiries and revenue management.

### **Flagship branch milestone**

In the development of the global financial industry, the flagship branch has become a symbol of the seamless integration of banking services and advanced technology. VPBank proudly inaugurated the first flagship branch in Vietnam, marking a significant milestone, demonstrating the bank's strategic vision, commitment to pioneering the future of banking and aspiration to reach continental heights.

The flagship branch is designed to international standards, incorporating cutting-edge technologies to offer customers world-class financial services and an exceptional experience at every touchpoint.

### 3. Financial performance

#### Outstanding business results in 2024

- TOI reached over VND 62,255 billion, leading among the private banks.
- Profit before tax in 2024 reached VND 20,013 billion, up 85%, among the highest growth in the banking industry.
- Total assets by the end of 2024 reached VND 923,848 billion, approaching the VND 1 quadrillion milestone.
- Consolidated credit grew by 18.2%, with contributions from diverse segments.
- Equity reached VND 147,275 billion, ranking 4<sup>th</sup> in the banking industry.
- Capital Adequacy Ratio (CAR) under Basel II reached 15.5%, continuing to lead the industry.
- Cost of funds was 4.5%, down nearly 200 bps year on year.
- Cost to Income Ratio (CIR) was around 23%, the most efficient level in the market.



#### 4. Shareholder structure, changes in owner's investment capital

##### Charter Capital

In 2024, the bank did not increase its charter capital.

Owner equity	Standalone (million VND)		Consolidated (million VND)	
	31/12/2023	31/12/2024	31/12/2023	31/12/2024
Charter capital	79,339,236	79,339,236	79,339,236	79,339,236
Share premium	23,992,546	23,992,546	23,992,546	23,992,546
Reserve	9,796,774	12,110,197	12,233,282	14,565,614
Treasury shares	-		-	
Retained earnings	21,024,428	24,846,798	19,065,969	24,007,579
Non-controlling interests	-		5,164,494	5,370.287
<b>TOTAL OWNER'S EQUITY</b>	<b>134,152,984</b>	<b>140,288,777</b>	<b>139,795,527</b>	<b>147,275,262</b>

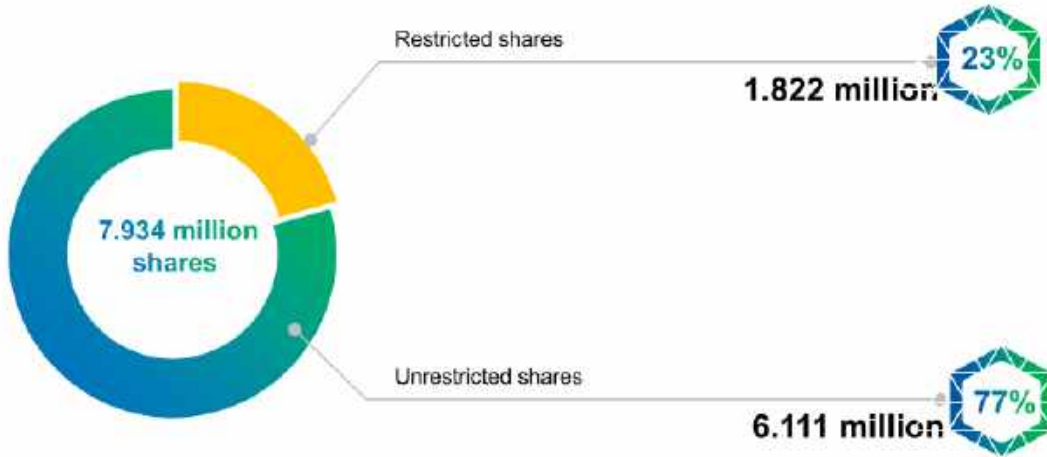
##### Treasury stock transactions

In 2024, the bank did not conduct treasury stock transactions.

## Shareholder structure

### Share structure as at 31/12/2024

(As of 31/12/2024, VPBank had no treasury shares)



### SHAREHOLDER STRUCTURE AS OF 31/12/2024



As of December 31, 2024, VPBank had 01 major shareholder (holding 5% or more of the voting shares).

No.	Individual/organization	Position at the company (if any)	End of period number of shares owned	End of reporting period share ownership ratio
1	Sumitomo Mitsui Banking Corporation	Major shareholder	1,190,500,000	15.005%

Internal shareholders of the bank, including members of the Board of Directors, Supervisory Board, and the Board of Management, are holding 7.85% of the total shares.

No.	Insider shareholder	Position at the company (if any)	End of period number of shares owned	End of reporting period share ownership ratio
1	Ngo Chi Dzung	Chairman of the BOD	328,553,899	4.141%
2	Bui Hai Quan	Vice Chairman of the BOD	156,329,202	1.970%
3	Lo Bang Giang	Vice Chairman of the BOD	8,249,316	0.104%
4	Nguyen Duc Vinh	CEO cum the BOD member	104,905,020	1.322%
5	Takeshi Kimoto	BOD member	-	0.000%
6	Pham Thi Nhung	The BOD member cum Standing Deputy CEO	6,065,995	0.076%
7	Kim Ly Huyen	Head of Supervisory Board	269,997	0.003%
8	Trinh Thi Thanh Hang	Member of Supervisory Board	164,355	0.002%

No.	Insider shareholder	Position at the company (if any)	End of period number of shares owned	End of reporting period share ownership ratio
9	Vu Hong Cao	Member of Supervisory Board	378,855	0.005%
10	Luu Thi Thao	Standing Deputy CEO cum Executive Managing Director	9,898,869	0.125%
11	Duong Thi Thu Thuy	Deputy CEO	2,183,977	0.028%
12	Nguyen Thanh Long	Deputy CEO	436,541	0.006%
13	Nguyen Thanh Binh	Deputy CEO	955,964	0.012%
14	Dinh Van Nho	Deputy CEO	1,628,107	0.021%
15	Phung Duy Khuong	Standing Deputy CEO in charge of the South	1,282,486	0.016%
16	Hiroki Kamijo	Deputy CEO	-	0.000%
17	Le Hoang Khanh An	CFO	348,092	0.004%
18	Nguyen Thi Thu Hang	Chief Accountant	170,640	0.002%
19	Le Lan Kim	Corporate Administrator/Corporate Secretary	647,242	0.008%

#### Share transactions of internal shareholders and related parties

##### Share transactions of internal shareholders

Transaction	Number	Share volume
Buy	2	5,004,900
Sell	4	27,600

Total	6	5,032,500
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Share transactions of related parties

Transaction	Number	Share volume
Buy	3	3,700
Sell	5	4,900
Total	8	8,600

## 5. Environmental and social impact report

Refer to the summary in Chapter VIII. Environmental, Social and Governance report and the independently published **2024 Sustainability Development Report**.



# Board of management's report and assessment

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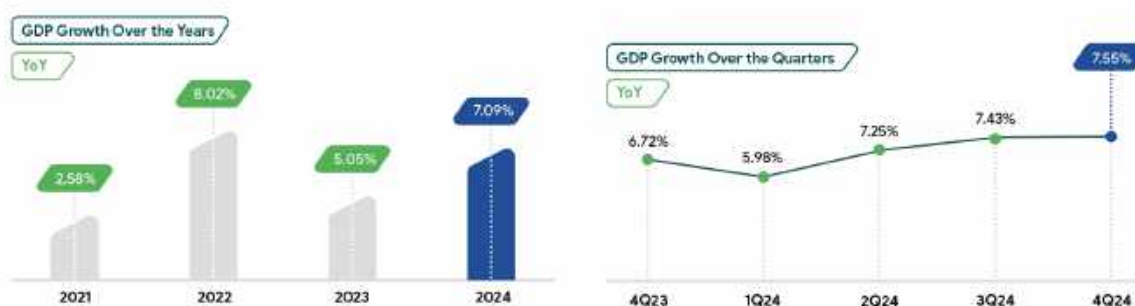


## IV. Board of Management's report and assessment

### 1. Review of business performance

#### Macro environment

In 2024, the global economy saw significant positive developments, driven by the recovery of certain emerging markets and remarkable technological advancements, particularly in AI, Generative AI and Big Data, as well as in renewable energy and green transformation. These positive factors have been fostering sustainable growth trends. Vietnam has maintained stability in the context of many intertwined challenges and opportunities. The Government and SBV are steadfast in their commitments to controlling inflation and stabilizing exchange rates, creating favorable conditions for businesses to thrive in a sustainable business environment. In 2024, Vietnam's GDP achieved a growth rate of 7.09%, while inflation was tightly controlled at 3.63%, fulfilling the target set by the National Assembly.



In terms of growth drivers, exports have reached a new record thanks to timely and coordinated policies from the Government to overcome challenges, support production, promote trade, and expand export markets. Key industries such as electronics, textiles and agricultural products continued to play a crucial role, making a strong impact on overall growth. Foreign investment was also a bright spot in 2024, with FDI disbursement reaching a record high at USD 25.4 billion, up 9.4% from the previous year. Foreign investment flowed heavily into high tech and clean energy sectors. Despite these positive factors, the economy in 2024 still faced several hurdles, as the real estate market and domestic consumption required more time to recover after a period of significant volatility.

In summary, with a solid and stable macroeconomic foundation, timely supportive policies from the Government and SBV, with the dynamism of its people and businesses, Vietnam continues to uphold its position as an attractive investment destination and a promising

economy in the region.



## Banking industry

Vietnam's banking industry continues to play a key role in supporting economic growth and maintaining national financial stability. The timely regulatory policies of SBV regarding exchange rates, interest rates and liquidity support has significantly contributed to the stability of the banking system and the economy.

Over the past year, the banking industry has implemented prudent credit strategies, prioritizing and promoting capital flows into manufacturing sectors, particularly to support SME enterprises. However, the slow recovery of consumer demand, along with challenges in the real estate market, affected credit growth for most of 2024. Credit growth only accelerated in the last quarter, bringing the industry's growth rates to over 15%, meeting the SBV's target. Despite increasing competitive pressure, banks still maintain strict risk management and continuously improve asset quality to stabilize and protect the interests of customers and shareholders.

The banking sector is poised to continuously be a strong pillar supporting the economy, especially while Vietnam is still facing major headwinds. The industry will also contribute to sustainable development goals through green credit policies and support for environmentally friendly projects.



## 2. Outstanding business results in 2024

### Steadfast determination, persevering forward

Amidst the ongoing fluctuations in the economy, VPBank has consistently maintained its long-term strategy, demonstrating flexibility in adapting and persistently pursuing sustainable growth objectives. These efforts have yielded impressive results in 2024, as reflected in key financial indicators that reinforce the bank's strong position in the market.

### Financial Indicators

No.	Indicators	Unit	2022	2023	2024	% 2024 vs. 2023
1	<b>Balance sheet</b>					
	<i>Total assets</i>	VND Billion	631,013	817,567	923,948	13.0%
	<i>Owner's equity</i>	VND Billion	103,502	139,796	147,275	5.4%
	<i>Charter capital</i>	VND Billion	67,434	79,339	79,339	0.0%
	<i>Capital adequacy ratio (CAR)</i>	%	14.90%	17.07%	15.50%	
2	<b>Business performance</b>					
	<i>Credit to customers</i>	VND Billion	479,756	600,524	709,986	18.2%
	<i>Deposits and valuable papers issued</i>	VND Billion	366,851	490,156	552,642	12.7%
	<i>Total operating income</i>	VND Billion	57,797	49,739	62,265	25.2%
	<i>Profit before tax</i>	VND Billion	21,220	10,804	20,013	85.2%
	<i>Profit after tax</i>	VND Billion	16,909	8,494	15,987	88.2%
	<i>Return on total equity (ROE)</i>	%	20.30%	9.27%	11.51%	
	<i>Return on total assets (ROA)</i>	%	3.12%	1.38%	1.85%	
	<i>NPL ratio of bank stand-alone (Acc. CIR 31)</i>	%	2.19%	2.95%	2.47%	
	<i>Earnings per share (EPS)</i>	VND per share	2,719	1,433	1,969	
3	<b>Prudential Ratio</b>					
	<i>Liquidity reserve ratio (VND exchange)</i>	%	13.10%	13.37%	16.76%	
	<i>Liquidity ratio to 30 days (VND)</i>	%	74.30%	66.34%	73.53%	
	<i>Liquidity ratio to 30 days (Currency)</i>	%	-78.10%	-31.29%	-146.03%	
	<i>Loan-to-Deposit Ratio (LDR)</i>	%	76.82%	79.63%	81.55%	
	<i>The short-term funding used for mid and long-term loans</i>	%	28.40%	25.27%	27.26%	

### Selective growth, seizing opportunities

In 2024, in a landscape of both opportunities and challenges, VPBank proactively pursued selective credit growth, focusing on high-potential customers and attractive financial products while maintaining a strong emphasis on credit quality. By the end of 2024, the bank's consolidated credit to customers reached VND 709,986 billion, reflecting an 18.2% increase from the beginning of the year. Notably, the parent bank's credit growth reached 19.4%, outpacing the industry average of 15%. With the economy showing clear signs of recovery in the final quarter, VPBank accelerated credit expansion in key strategic segments such as retail banking and SMEs, with growth reaching nearly 7% in last quarter of the year.

While remaining persistent to retail banking strategy, VPBank demonstrated agility in identifying new opportunities in the corporate banking segment, especially FDI companies,

amidst slower than expected consumer demand recovery and limited housing project supply. Through the partnership with SMBC - one of Japan’s leading banks - VPBank successfully strengthened collaboration with FDI clients, attracting over 500 enterprises from major multinational corporations based in Japan, South Korea, Taiwan and other countries and territories... This segment witnessed remarkable growth, with outstanding loans reaching VND 3.7 trillion, more than tripling compared to 2023. As Vietnam continues to solidify its position as a prime destination for FDI inflows, the FDI segment is expected to become a key growth driver for VPBank, offering long-term potential in the coming years.



Within the group’s overall landscape, VPBank’s subsidiaries also achieved significant milestones in 2024. In the consumer finance segment, FE CREDIT delivered positive results following a comprehensive restructuring process, driven by strong engagement from VPBank and the strategic partner SMBC. By the end of 2024, credit to customers of FE CREDIT surpassed VND 62 trillion, marking a 10.3% increase compared to the beginning of the year. Meanwhile, total disbursements for the year surged by 40% compared to 2023. In the securities sector, VPBankS recorded notable improvements in margin lending activities. By the end of 2024, margin lending and advance balance reached over VND 9.500 trillion, reflecting a 33% increase compared to last year.

One of VPBank's key strategic priorities in 2024 was the expansion of green credit across multiple segments, integrating into supply chain and trade finance. As of December 31, 2024, the bank’s green credit balance reached nearly VND 22 trillion, accounting for more than 3% of total credit to customers and reflecting a 48.5% year over year growth. Beyond

focusing on renewable energy, low-emission businesses and climate adaptation to drive sustainable growth and environmental protection, VPBank also pioneered in offering comprehensive and tailored financial solutions to support SME, with a special emphasis on women-owned enterprises.

### **Improving asset quality, optimizing debt collection efficiency**

With a retail-focused business strategy, VPBank overcame various economic challenges in 2024 by prioritizing risk management and implementing prudent lending policies tailored to market conditions. The bank also adopted a flexible and effective approach to debt handling, ensuring a balanced and proactive response to evolving financial landscapes. Additionally, VPBank actively implemented timely debt restructuring solutions to support customers facing financial difficulties in compliance with Circular 02/2023/TT-NHNN (replaced by Circular 06/2024/TT-NHNN), as well as providing targeted assistance to customers impacted by typhoon Yagi in accordance with Circular 53/2024/TT-NHNN.

VPBank achieved notable improvements in asset quality throughout 2024. The NPL ratio of the parent bank, measured under Circular 31, was effectively controlled at 2.47%, remaining below 3% and improving from the 2023 level. The consolidated NPL ratio also recorded a major improvement, falling from 4.48% at end of 2023 to 3.52% at the end of 2024. This result reflects the strong recovery of FE CREDIT with NPL consistently decreasing over 3 consecutive quarters and VPBank's strengthened asset quality.



Anticipating market challenges, VPBank proactively implemented enhanced provisioning measures to reinforce its risk buffer and ensure operational stability. In 2024, consolidated provision expenses increased by 12% year over year, reaching VND 27,903 billion. In parallel, the bank prioritized collection efforts by developing a comprehensive strategy tailored to

specific products, customer segments and loan life cycles stages. Notably, VPBank established a dedicated Debt Collection Division (DCD) with 2,500 employees, further specialized resources, enhancing the efficiency of debt collection and optimizing credit portfolio quality.



In addition, VPBank actively integrated advanced technology into its debt collection and handling processes, optimizing productivity while ensuring strict monitoring of restructured customers to maintain asset quality. As a result of these efforts, in 2024, income from bad debt recoveries achieved VND 5,575 billion, more than doubling the figure from the previous year, making a significant contribution to the bank’s overall income. These strategic initiatives not only enabled tighter risk control but also laid a strong foundation for VPBank’s sustainable long-term growth.

**Solid capital foundation, driving breakthrough growth**

To navigate challenging periods and establish a strong foundation for future expansion, VPBank recognizes the critical importance of enhancing financial capacity and reinforcing capital base. By the end of 2024, VPBank maintained the leading position in charter capital, reaching over VND 79.3 trillion. The strategic partnership with SMBC, combined with strong financial performance in 2024, contributed to an expansion in VPBank’s owner’s equity, surpassing VND 147,275 billion, securing place among the top 4 largest in banking sector.

In 2024, fulfilling commitment to shareholders, VPBank successfully executed its cash dividend distribution plan, disbursing nearly VND 8 trillion in cash dividends. The payout ratio was 10% per share (VND 1,000 per share), utilizing undistributed profits after fund appropriation as of December 31, 2023.

With a robust capital base and a prudent asset structure, VPBank has consistently maintained compliance with SBV regulations, including Circular 41, while ensuring all key prudential ratios remain well above regulatory requirements. The bank's consolidated capital adequacy ratio (CAR) reached 15.5%, the highest in the sector and significantly exceeding the SBV's minimum threshold. This solid capital buffer reinforces VPBank's ability to sustain stable operations, enhance financial strength, and expand its reach to strategic customer segments, including large corporate clients and financial institutions.



### Sound balance sheet management, funding cost optimization

Amidst a stable market liquidity environment throughout the year, VPBank proactively managed funding mobilization in alignment with credit growth, ensuring compliance with SBV prudential ratios while optimizing capital efficiency. By the end of 2024, the bank's total customer deposits and valuable papers reached over VND 552,642 billion, representing a 12.7% year on year growth, significantly outpacing the industry average of 9.1%.

As a leading private bank, VPBank remains committed to enhancing its funding strategy by continuously improving and diversifying deposit products. The bank provides comprehensive and flexible financial solutions, catering to a wide range of customer segments, from individuals and business households to corporate clients, thereby optimizing fund mobilization and strengthening its deposit base. Alongside the expansion and diversification of retail deposits, VPBank also achieved robust growth in FDI's customer deposits, reaching nearly VND 8.8 trillion, a 73% increase year on year.

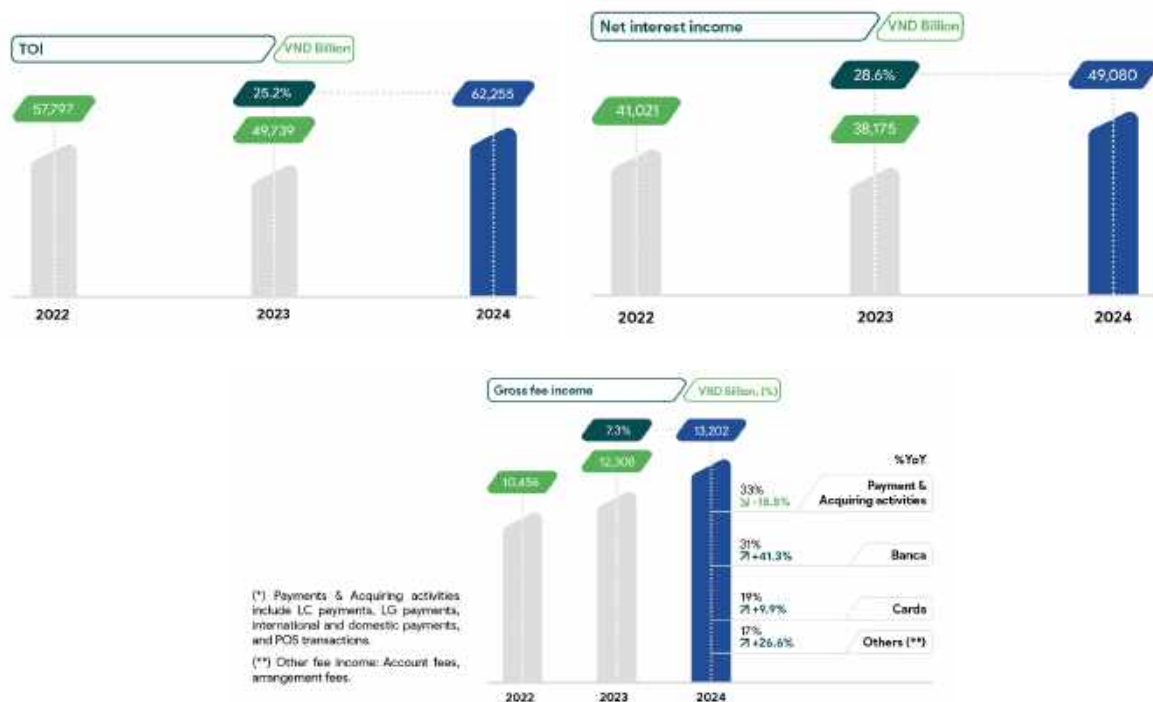


Through prudent balance sheet management, strategic optimization of the deposit portfolio, and diversification of medium and long-term international funding sources, VPBank successfully optimized its cost of funds to 4.5%, a decrease of nearly 200 basis points compared to 2023. This significant reduction, the largest among peers, has further strengthened the bank’s competitive advantage and played a key role in the recovery of profitability.

To promote green credit sustainably, VPBank recognizes the necessity of long-term funding. In 2024, the bank successfully mobilized USD 735 million from global financial institutions such as SMBC, Maybank, MUFG, Commerzbank, CTBC, KGI and DFC. Additionally, VPBank signed a USD 150 million credit agreement with the Japan Bank for International Cooperation (JBIC) to finance renewable energy projects in Vietnam. These achievements not only reaffirm VPBank’s reputation on the international stage but also demonstrate the bank’s strong commitment to achieving the national Net Zero target by 2050. Furthermore, these medium and long-term funding sources have strengthened VPBank’s liquidity position, ensuring compliance with the SBV, including an LDR of 81.6% and a short-term funding ratio for medium and long-term loans of 27.3%, well beyond regulatory requirements.

### **Elevated interest income, securing leading top-line revenue**

In 2024, VPBank achieved a 28.6% year over year growth in consolidated net interest income, driven by effective funding cost optimization and proactive suspended interest collection. As a result, the bank maintained its leading position among private commercial banks in terms of total operating income (TOI), which reached VND 62,255 billion. Additionally, VPBank’s net interest margin (NIM) improved significantly, rising from 5.8% in 2023 to 6.2% in 2024, the highest in the banking sector.



The positive expansion of NIM effectively mitigated the impact of economic headwinds on net fee income (NFI). In 2024, regulatory changes to payment operations and UPAS LC led to a decline in payment activities fees, while a sluggish insurance market posed challenges for bancassurance activities across the sector. Despite these challenges, VPBank determined services fees as a core pillar of its growth strategy, with consolidated NFI contributing over VND 6,126 billion to TOI in 2024.

Digital transformation has been a key pillar of VPBank’s strategic direction, reinforcing its commitment to operational excellence and sustainable growth. The bank’s IT infrastructure operates on the latest technology platforms, fully supported by reputable technology companies and service providers. VPBank has successfully integrated advanced architectures such as Cloud Computing, Microservices, and Open API into its core systems. These innovations not only enhance service quality, stability and security but also offer flexible scalability, ensuring readiness to accommodate the bank's robust growth.

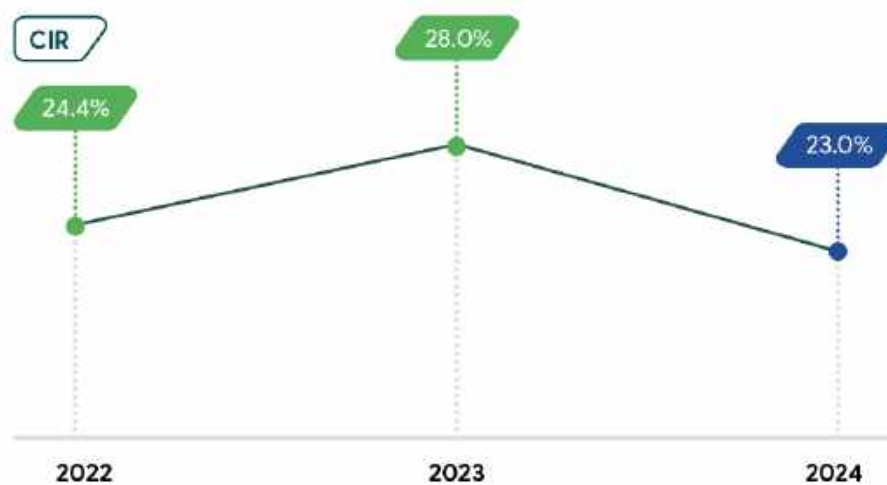
### **Comprehensive digitalization, superior performance efficiency**

VPBank continues to diversify its digital products and services for both individual and corporate customers. Through the VPBank NEO and NEO Biz platforms, the bank provides a seamless experience that fully meets customer needs, driving transaction volume growth while ensuring cost-efficiency management. By the end of 2024, VPBank NEO had attracted



over 10 million users with more than 700 million online transactions. Additionally, more than 80% of unsecured and secured contracts were fully executed through digital channels. Notably, the ePayroll feature has enabled businesses and employees to conduct payroll transactions online efficiently, significantly reducing processing time.

With the aim to become Next Gen AI Bank, in 2024, digital bank Cake by VPBank (Cake) achieved remarkable milestones in 2024, successfully launching key projects with prestigious strategic partners and winning major awards both in Vietnam and internationally. After nearly 4-year operation, Cake has become a highly recognizable digital bank, with 62% of customers aware of the brand and boasting 4.9 million retail customers - leading the market. Deposit growth reached VND 8 trillion, with approximately 300,000 loan and credit card application requests recorded each month. Thanks to significant technological investments, Cake was honored with the “Best AI Bank” award by The Asian Banker and was recognized with the “Outstanding Digital Bank 2024” award by Euromoney.



Through continuous driving innovation, leveraging technology and process optimization, VPBank has significantly enhanced operational efficiency, maintaining a cost to income ratio (CIR) of approximately 23% - among the most efficient levels in the market. The bank has also achieved remarkable improvements in workforce productivity while receiving highly positive customer feedback, reaffirming the effectiveness of its digital transformation strategy and service quality enhancement efforts.

### **Breakthrough profitability**



In 2024, through funding optimization and agile management, VPBank achieved exceptional financial results, with consolidated profit before tax reaching VND 20,013 billion, reflecting an 85.2% increase year on year, placing the bank among the top performers in the industry. The parent bank recorded VND 18,260 billion in profit before tax, a 35.6% increase compared to 2023, while other subsidiaries in the VPBank's ecosystem also made significant contributions to the group's overall success. Notably, FE CREDIT reported 3 consecutive quarters of profitability, reaching over VND 500 billion in profit before tax for 2024, marking a strong recovery following its comprehensive restructuring.

After more than two years of joining the ecosystem, In 2024, VPBankS delivered a total revenue of nearly VND 2.5 trillion, a 28% increase year-over-year. The company reported VND 1,220 billion in PBT, ranking among the top 6 most profitable securities firms in the market. Similarly, OPES, VPBank's digital non-life insurance subsidiary, a recorded profit before tax of VND 473 billion, a threefold increase compared to the previous year. The company was also recognized among the Top 10 Outstanding ASEAN Enterprises and received the "Digital Insurer of the Year" award from Insurance Asia.

Over the past year, VPBank has not only achieved sustainable profit growth but also contributed to the long-term prosperity of the community. The unwavering efforts of all members within the group have reinforced VPBank's leading position in the banking industry, creating lasting value for shareholders, customers and society while ensuring a sustainable and prosperous future.



### **3. Improvements in organizational structure, policies and management**

#### **Total number of employees and average income of employees (according to consolidated financial statements)**

As of December 31, 2024, VPBank has 27,428 employees.

The average income of employees in 2024 was nearly 27 million VND/month.

#### **Summary on changes in staff policies 2024**

VPBank adjusted the 2024 salary framework based on the market salary survey report (by Mercer) in accordance with the pay mix of each employee segment in front/mid/back-office areas. This data serves as the basis for determining salary levels for newly recruited, promoted, or appointed employees.

VPBank also launched periodic salary adjustments in 2024 for all eligible employees.

The performance-based bonus program, linked to both individual contributions and business unit revenues/profits, continues to be applied, ensuring internal balance through pay mix orientation, job nature, and closer alignment with target market positioning.

Existing welfare programs, such as regular health check-ups and VPBank Care health and accident insurance, remain in place with enhanced quality while maintaining the same or lower budget. At the same time, VPBank has introduced a Vacation gift program for employees and their families - a distinctive welfare initiative in the labor market.

#### **Improvements in organizational structure, policies and human resource management in 2024**

In order to reduce operational burdens, VPBank stopped applying short-term performance evaluation results (first 6 months of the year) and now only considers the full-year evaluation results as a condition for long-term benefit eligibility.

To improve the effectiveness of promotion programs, VPBank introduced new conditions for sales staff promotions and refined salary adjustment principles. Management positions were also reviewed and re-evaluated to ensure compensation remains competitive and aligned with job responsibilities, helping to retain employees.

Finally, in alignment with the bank's digitalization strategy, VPBank continues to automate processes and implement software systems for human resource management through the project of transitioning the HR system from SAP ECC to SuccessFactors.

#### **4. Business orientation in 2025**

##### **Macro outlook**

The year 2025 will be a pivotal period as the world faces both significant challenges and opportunities for strong recovery. The global economy is expected to maintain stable growth, inflation is likely to ease and trade is set to flourish, while many countries may implement accommodative monetary policies. Additionally, the rapid advancement of technology and digital transformation will drive innovation and enhance productivity, particularly in areas such as artificial intelligence, renewable energy and smart manufacturing.

In this context, flexible policy management and close monitoring of global economic and financial developments will help Vietnam maximize opportunities, respond effectively to fluctuations in the international economic environment, and promote stable development.

- Through the free trade agreements that have been signed, Vietnam can expand its export markets. In parallel, efforts to enhance competitiveness will help attract FDI flows into high-tech sectors and green manufacturing. Industries such as renewable energy, digital technology and digital transformation are expected to play a key role in promoting sustainable development, improving production efficiency, and minimizing the impact of climate change.
- Growth momentum may also stem from the recovery of the domestic consumer market, driven by the expansion of the middle class and the rising trend in per capita income. Retail, e-commerce and service sectors are expected to continue expanding, further stimulating consumer demand.
- Additionally, public investment in transport infrastructure, energy and industry will support long-term growth and generate numerous employment opportunities.

Nevertheless, alongside these opportunities, Vietnam's economy will also face numerous challenges. Exchange rate fluctuations, trade tensions, and global geopolitical uncertainties could significantly impact the business environment. The room for monetary policy easing is increasingly limited, while many enterprises continue to struggle with access to capital and maintaining sustainable growth. Additionally, the financial technology infrastructure has yet to meet international standards, creating certain barriers to integration and development.

To align with the Government's target of 8% GDP growth, the banking sector has set a credit growth target of 16%. Additionally, the SBV will continue to implement proactive, flexible, and market-responsive monetary policies. Interest rates are expected to remain stable, enabling banks to optimize funding costs and create opportunities to expand credit to the economy. Thanks to these factors, 2025 is expected to be a promising year for Vietnam's banking sector.



*Source: Vietnam Government Portal & SBV*

### **VPBank's business orientations in 2025**

2025 marks a crucial stage in VPBank's 5-year strategic journey (2022–2026). With a positive outlook for the Vietnamese economy, VPBank's Board of Management has proactively assessed, forecasted, and developed appropriate business scenarios, ensuring flexibility in all circumstances while maximizing new opportunities to drive the bank's growth.

These strategic directions will enable VPBank to achieve its short-term growth targets while establishing a solid foundation for long-term success. With a large customer base, robust capital resources, and a strong governance framework, VPBank remains steadfast in its pursuit of sustainable development, delivering exceptional value to shareholders, customers, employees and the community.

VPBank identifies 5 key growth targets in 2025:

#### **Comprehensive growth**

- Expand customer base, credit, deposits, and revenue across all segments.
- Deepen segmentation strategy with the launch of Private Banking for quality growth and strong customer value proposition.
- Acceleration of farming FDI segment with the aim at 1,000 customers by 2025, focusing on deposits and fee services.

- Promote green and sustainable growth to support the national Net Zero emissions goal by 2050.

#### **Effective deposit mobilization**

- Create a breakthrough in CASA through exceptional financial solutions and top-tier services.
- Diversify the funding channels to funding cost, support credit growth, enhance the bank's competitive advantages, and ensure strong liquidity management.

#### **Enhanced Asset Quality**

- Uphold a rational risk appetite aligned with the customer's profile and product mix.
- Apply a robust, advanced collection strategy to improve asset quality and gradually reduce credit costs.

#### **Different multi-layered ecosystem**

- Continue expanding the financial and banking ecosystem, integrating products and services that align with the daily lives of a broad demographic.
- Enhance corporate governance through collaboration across the entire ecosystem with a customer-centric mindset.
- Focus on the restructuring of GPBank by establishing a business model and foundational infrastructure, while strategically allocating resources to facilitate its progressive transformation into a financially stable institution.

#### **Strengthen the foundation**

- Lean the organization and streamline operation to enhance business efficiency, optimize resources, and improve productivity.
- Leverage technology and AI to solidify VPBank's position as a pioneer in personalized products, boosting customer experience and operational efficiency.
- Foster a culture of innovation and creativity across all business areas to drive breakthroughs and continuous development.

### **5. The explanation of the Board of Management over auditing recommendations**

Auditing company EY has unqualified opinion of VPBank's Financial Statements.

## **6. Environmental and social responsibility assessment report**

In 2024, VPBank launched a comprehensive ESG strategy outlined by the Board of Directors in 2023, aiming to bring sustainable prosperity to stakeholders, including shareholders, customers, employees and the community. The bank has achieved significant progress and new milestones in its sustainable development journey.

To support the Government's development goals of a green economy, circular economy and Net Zero by 2050, VPBank has implemented a series of initiatives to strengthen human resources and systems for sustainable credit growth. Specifically, the bank has partnered with IFC to implement a comprehensive capability enhancement program in sustainable development across the organization, including developing a green growth strategy and conducting specialized training sessions on green finance, climate finance and climate risk for employees from business units, credit appraisal and approval, risk management and operations.

VPBank has identified and implemented sustainable financial growth KPIs for business divisions, thereby driving the development and execution of sustainable financial product programs, such as financing for solar power installation, electric vehicle supply chains, sustainable agriculture, small and medium-sized enterprises (SME), micro enterprises (MSME) and women-owned SME (WSME).

By the end of 2024, VPBank's green loan portfolio was approximately VND 22 trillion, equivalent to 87.7% of the target set for 2030, while the total credit balance to WSME exceeded VND 18.5 trillion. To strengthen funding sources for sustainable finance programs, VPBank has actively sought cooperation with various development finance institutions (DFIs). Accordingly, VPBank successfully mobilized USD 735 million from reputable partners such as SMBC, DFC, Maybank, and MUFG, and signed a credit agreement worth USD 150 million with the Japan Bank for International Cooperation (JBIC) to finance renewable energy and power transmission projects in Vietnam.

In addition to the Green Finance Framework and the Social Finance Framework, VPBank has further strengthened its pioneering position by developing and announcing the Sustainable Finance Framework, which has been audited by Sustainalytics for compliance with international capital market standards and in support of global agreements such as the

United Nations Sustainable Development Goals (SDGs) and the Paris Agreement on climate change. To further enhance the effectiveness of the Environmental and Social Risk Management System in credit granting, which was first developed in 2016, VPBank has applied sustainable natural resource management tools in a pilot implementation for certain agricultural finance products and agricultural value chains.

Additionally, the bank has developed a Human Rights Statement, ensuring compliance with Vietnamese law and alignment with internationally recognized human rights instruments. This statement aims to foster a culture of human rights protection and respect at all levels, from collaborating with suppliers, customers and other stakeholders to implementing appropriate measures to eliminate involvement in human rights violations.

Following a series of initiatives to fulfill its commitment to active community contribution and promote humanistic values, VPBank has implemented 29 corporate social responsibility (CSR) activities with a total budget of over VND 230 billion, focusing on investing in education, supporting the underprivileged and collaborating with the Government on social security efforts and disaster relief. Notably, VPBank inaugurated Vo Van Tan High School in Long An – the first public school in Vietnam to receive the EDGE green certification from IFC. Additionally, the bank has partnered with VTV to launch the charity program series “A Pair of Loving Leaves”, facilitating the construction and renovation of 25 disadvantaged schools in Ha Giang, Lao Cai, Yen Bai, Quang Nam, and Kon Tum. VPBank has also contributed over VND 100 billion towards eliminating temporary and dilapidated housing nationwide and joining hands to mitigate the aftermath of typhoon Yagi.

Regarding corporate governance, VPBank applies international governance frameworks such as the OECD Corporate Governance Principles, ASEAN Corporate Governance Scorecard and Corporate Governance Best Practices (a collaboration between the State Securities Commission of Vietnam and IFC) in conjunction with an annual evaluation process, focusing on leadership capacity, supervisory effectiveness, and the implementation of sustainability commitments to enhance corporate governance quality in line with international standards. VPBank has also been strengthening and improving the Risk Management Framework by applying the most advanced international practices in Vietnam.

The Board of Management closely monitors and effectively implements the action plan approved by the BOD under the comprehensive ESG policy, reinforcing VPBank’s pioneering



position in executing ESG governance initiatives. This approach aims to foster prosperous, sustainable, and equitable development for the entire society.



# The Board of Directors' assessment on VPBank operations

# 05



## **V. The Board of Directors' assessment on VPBank operations**

### **1. The Board of Directors' assessment on VPBank's operations**

#### **Assessment of the Board of Director on the bank's operations in 2024**

In 2024, the economy demonstrated resilience in the face of challenges, achieving remarkable milestones, including the highest GDP growth rates in the region. Several sectors, such as goods exports and tourism, showed signs of recovery, while FDI inflows maintained steady growth. However, the economy still faced underlying risks and significant pressures, with credit growth facing headwinds in the early months of the year and the potential rise in NPL.

In that context, VPBank remained steadfast in our proactive and prudent strategy: seeking new opportunities and expanding its reach into high potential customer segments to drive growth targets while implementing measures to control asset quality, mitigating potential risks and ensuring the bank's sustainable and stable development.

Some key results compared to the 2024 plan approved by the AGM:

- VPBank paid nearly VND 8 trillion in cash dividends to shareholders at a payout ratio of 10%, meeting the AGM-approved target.
- VPBank's consolidated total assets reached nearly VND 924 trillion by the end of 2024, up 13% from the beginning of the year, achieving 94.7% of the target.
- Consolidated credit to customers reached nearly VND 710 trillion, up 18.2% compared to 2023, achieving 94.4% of the target.
- Consolidated customer deposits and valuable papers achieved nearly VND 553 trillion, up 12.7% compared to 2023, achieving 92.3% of the target and ensuring liquidity.
- The parent bank's NPL ratio according to Circular 31 was kept below 3%, reaching 2.47%, in line with the target.
- The consolidated profit before tax was VND 20,013 billion, an 85.2% increase and achieving 86% of the target.

#### **Board of Directors' assessment of VPBank's social and environmental impact**

With a strategic vision of sustainable development aligned with social and environmental values, as well as the mission of "Prospering Vietnam," VPBank aims to create balanced and

sustainable benefits for all stakeholders, including shareholders, customers, employees, and the community.

Every year, VPBank allocates a substantial budget to fulfill our corporate social responsibility (CSR) commitments, contributing to social welfare programs, education, and environmental protection across various provinces nationwide. As a credit institution, VPBank actively implements several initiatives related to green finance and enhancing access to capital for SMEs.

Simultaneously, VPBank also launches policies of transparency and fairness towards employees, sets up specific units and training programs so that employees are aware of and comply with ESG strategies/policies. Through continuous efforts, VPBank not only affirms its pioneering role in the financial system but also contributes to fostering prosperity, sustainability and equity across society.

VPBank applies international governance frameworks such as OECD Corporate Governance Principles, ASEAN Corporate Governance Scorecard, and Corporate Governance Best Practices (a collaboration between State Securities Commission of Vietnam and IFC) in conjunction with an annual assessment process, focusing on leadership capacity, supervisory effectiveness and the implementation of sustainable development commitments.

In 2024, VPBank was in the Top 20 companies with the highest ESG scores of Vietnam Sustainability Index (VNSI) for the 6 consecutive years. This achievement enables the bank to identify areas for improvement, implement training programs, restructure operational processes, and enhance supervisory effectiveness, ensuring that the highest governing bodies consistently meet strategic and sustainability goals.

## **2. The Board of Directors's review of the Board of Management activities**

VPBank's BOD considers the establishment of KPIs and performance evaluations for the Board of Management (BOM) a critical responsibility. The Human Resources Committee is tasked with conducting this evaluation and carefully reviewing the Board of Management performance before final approval by the BOD. The assessment is based on two key factors: KPI scores and Behavioural scores.

Building on previous years, the 2024 KPI framework introduces a new criterion: Driving Corporate Culture. This includes the activation and integration of VPBank's corporate culture across the VPBank ecosystem, with a focus on innovation and compliance.

Innovation KPIs are assigned to all divisions and centers and reported directly to the CEO to drive innovation, improvement and creativity across all units through the registration of technology-driven innovation initiatives. Compliance-related KPIs are regularly reviewed and updated to align with real-world conditions, serving as an effective tool to guide business discipline across all employees.

The behavioral assessment methodology, based on VPBank's five new core values, has been implemented since 2023. However, as core values are qualitative descriptions, they cannot be fully quantified in behavioral assessments. In 2024, the Board of Directors refined the methodology to enhance the accuracy of employee behavior evaluations.

The performance rating matrix has also been adjusted to ensure a more precise reflection of employees' contributions towards achieving VPBank's overall objectives. In addition to KPI completion rates and behaviour ratings, the Board of Directors also considers broader challenges, as well as efforts beyond assigned responsibilities, when evaluating each Board of Management member.

### **Assessment of Board of Management's overall performance**

In 2024, VPBank's profit before tax was 86% of AGM's plan, primarily impacted by the retail market's slow recovery. Nevertheless, overall consolidated profit growth and FE CREDIT's performance remained encouraging. The Board of Directors acknowledged the efforts of all members of VPBank's Board of Management in driving business activities and addressing existing challenges.

Board of Management members demonstrated a strong commitment to innovation, actively seeking business opportunities, and enhancing operational efficiency to improve productivity and customer experience. The Board of Management also remained focused on managing and controlling NPL, ensuring compliance and internal control, fostering a professional, positive, and productive working environment for employees, and upholding VPBank's brand reputation.

Many members of the Board of Management have shown their willingness to take on additional responsibilities, proactively and enthusiastically participate in new projects and continuously strengthen collaboration within VPBank's ecosystem to build an efficient and sustainable business operation.

### **3. Orientations of the Board of Directors in 2025**

#### **Key targets for 2025**

Stepping into 2025 with numerous breakthrough growth opportunities, VPBank remains steadfast in its strategy of comprehensive scale expansion, focusing on customer base, credit growth, funding, and revenue scale while ensuring high-quality growth and strict control over new portfolio quality.

At the same time, VPBank continues to enhance loan and investment portfolio quality management, alongside implementing a robust debt recovery and resolution strategy. VPBank aims to accelerate and expand its core ecosystem, encompassing finance, securities, banking, and insurance... while also collaborating with other strategic partners to develop an ecosystem tailored to the retail segment. This approach seeks to maximize competitive advantages and align with sustainable development goals.

#### **Enhancing the platform system capacity and optimizing the management system quality**

Alongside its objectives, in 2025, VPBank is committed to strengthening its system capabilities and enhancing governance quality. Specifically:

- Completing the synchronization of its governance system in line with a group model, optimizing core platforms and the digital ecosystem to minimize time and costs while aiming to improve overall operational efficiency across the bank.
- Enhancing the effectiveness of its support functions with a customer-centric approach. Key programs and initiatives will be prioritized to streamline processes, optimize workflows, and improve service quality, thereby enhancing the overall customer experience. Risk management will take a leading role in adopting best practices and guiding the bank's risk management framework.
- Ensuring that the IT and data analytics systems continue to serve as key drivers, shaping technology strategies based on new and effective global technological trends, enabling the bank to introduce new innovative initiatives in its technology and digital transformation strategy in alignment with its long-term growth trajectory.

- Develop key strategy and program on bank-wide human resource management to affirm the message that VPBank is "Home of talents", fostering a corporate culture aligned with its mission, vision, and strategic direction.





# The bank's corporate governance

# 06

# List of Members of the Board of Directors, Supervisory Board and Board of Management

## Members of the Board of Directors

### Mr. Ngo Chi Dzung

Chairman of the BOD

**From April 2010 to present:**

Chairman of the Board of Directors, VPBank

**From August 2006 to March**

**2010:** Vice Chairman of the Board of Directors - Vietnam Technology and Commercial Joint Stock Bank (Techcombank)

**From January 1996 to March**

**2005:** Founding shareholder and member of the Board of Directors, Vietnam International Commercial Joint Stock Bank (VIB)

Doctor of Economics - Institute of Social Political Research under Russian Academy of Sciences; Civil Engineering Geologist - Moscow Geological Prospecting Institute





Mr.  
**Bui Hai Quan**  
Vice Chairman of the BOD

**From December 2008 to present:** Vice Chairman of the Board of Directors, VPBank

**From March 2006 to December 2008:** Member of the Board of Directors, VPBank

**From March 2020 to present:** Chairman of OPES Insurance Joint Stock Company

**From November 2017 to present:** Member of the Board of Directors, Bison Advance Technology Panel Joint Stock Company

**From October 2010 to present:** Chairman of the Board of Directors, Viet Hai Investment Joint Stock Company

Bachelor of Economics, Kiev National Economic University, Ukraine



Mr.  
**Lo Bang Giang**  
Vice Chairman of the BOD

**From April 2010 to present:** Vice Chairman of the Board of Directors, VPBank

**From August 2014 to present:** Chairman of the Members Council, VPBank SMBC Finance Company Limited (VPB SMBC FC)

**From 2012 to 2015:** Member of the Members Council, VPBank Securities Company Limited

**From 2009 to 2012:** Head of the Supervisory Board, Delta Bank, Ukraine

**From 2008 to 2017:** Member of the Board of Directors, Hung Vuong Seafood Joint Stock Company

**From 2008 to 2013:** Member of the Board of Member, Delta - Valley Binh Thuan Company Limited

Master of Economics, Kyiv National Aviation University, Ukraine; Bachelor in Finance and Banking, Moscow State University of Economics, Statistics and Informatics (MEIS), Russian Federation

Mr.  
**Nguyen Van Phuc**

Independent member of the BOD

**From May 2020 to present:**

Independent member of the Board of Directors, VPBank

**From 2016 to present:**

Independent expert for national economic projects of ministries and national agencies

**From 1989 to 2016:**

Held the positions of Deputy Director General of Department of Law, Director General of Department of Economics and Budget, National Deputy Director General of Project of

National Assembly's Economic and Budget Committee and the State Audit - Department of Economics and Budget of the Office of the National Assembly

Bachelor of Laws, major in Economic Law, Azerbaijan National University, Soviet Union; Master of Laws, major in Law and Development, SOAS University of London, UK; Bachelor of Economics, major in Management Science, National Economics University



Mr.  
**Nguyen Duc Vinh**

Member of the BOD, Chief Executive Officer

**From July 2012 to present:** Chief Executive Officer, VPBank

**From April 2013 to present:** Member of the Board of Directors, VPBank

**From August 2014 to present:** Member of the Board of Directors, VPBank SMBC Finance Company Limited (VPB SMBC FC)

**From January 2012 to July 2012:** Vice Chairman of the Board of Directors, Techcombank

**From 2009 to 2012:** Member of the Board of Directors, Chief Executive Officer, Techcombank

**From 2000 to 2009:** Chief Executive Officer, Techcombank

**From 1999 to 2000:** Deputy Chief Executive Officer, Techcombank

**From 1984 to 1999:** Worked at Vietnam Airlines Corporation

Bachelor's Degree from Hanoi Foreign Trade University; Master of Business Administration from ISA Business School, HEC Group; Master of Business Administration from the University of Michigan Business School; Advanced Business Management Certificate, International Executive Program from European Institute of Business Administration (INSEAD)





Mr.  
**Takeshi Kimoto**

Member of the BOD

**From May 2024 to present:** Member of the Board of Directors, VPBank

**From April 2021 to present:** Executive Officer and Head of Asia Market Development at SMBC (Singapore) and SMFG (Japan)

**From February 2019 to present:** Member of Supervisory Board, PT Bank BTPN Tbk, Jakarta, Indonesia

**From 2018 to 2021:** Worked at Sumitomo Mitsui Banking Corporation (SMBC) Singapore

**From 2015 to 2018:** Worked at Sumitomo Mitsui Banking Corporation (SMBC), Japan

**From 2002 to 2015:** Worked at Sumitomo Mitsui Banking Corporation (SMBC) Singapore

**From 2001 to 2002:** Worked at Sumitomo Mitsui Banking Corporation (SMBC), Japan

**From 1993 to 2001:** Sumitomo Bank Limited  
Bachelor of Business and Commerce, Keio University, Japan



Ms.  
**Pham Thi Nhung**

Member of the Board of Directors; Standing Deputy Chief Executive Officer cum Head of Partnership Management and External Relations Division

**From 2023 to present:** Standing Deputy Chief Executive Officer cum Head of Partnership Management and External Relations Division, VPBank and from 2024 to present: Member of the Board of Directors, VPBank

**From 2016 to 2022:** Held positions of VPBank: Network Development Transaction Manager and Collateral; Director of Partnership Center; and became Deputy Chief Executive Officer from 2021

**From 2017 to 2024:** Held positions of Chief Executive Officer and Chairwoman of the Board of Directors of Think Kien Company Limited

**From 2016 to 2024:** Held positions of Deputy Director, Director, and Chairwoman of the Board of Directors of Think Dien Company Limited; Chairwoman of the Board of Directors of Think Tin Valuation Company Limited

**From 2019 to 2021:** Director of VPC Real Estate Consulting and Trading Company Limited

Bachelor, Dong Do University

**Change of members of the Board of Directors in 2024**

Mr. Takeshi Kimoto and Ms. Pham Thi Nhung were appointed members of the Board of Directors from May 2024.



## Member of the Supervisory Board



### Ms. Kim Ly Huyen

Head of Supervisory Board

**From December 2022:** Head of Supervisory Board, VPBank

**From 1999 to December 2022:** Held the positions of Chief Internal Auditor and full-time member of the Supervisory Board at VPBank

Master in Banking and Finance, ESCP Europe and Paris Dauphine University, France; Bachelor of Law, major in Economic Law, Hanoi Law University

### Ms. Trinh Thi Thanh Hang

Full-time member of the Supervisory Board



**From April 2017:** Full-time member of Supervisory Board, VPBank

**From 2015 to 2017:** Full-time controller, VPBank AMC

**From 2010 to 2015:** Full-time member of the Supervisory Board cum Controller, VPBank AMC

**From 1999 to 2010:** Held many different positions at Military Commercial Joint Stock Bank (MB) including Data Specialist for Financial Analysis Reports, Finance and Accounting Department; Leader of Information Technology (IT) Function, IT Department

Master of Banking and Finance, Banking Academy of Vietnam; Bachelor of Science in Information Technology, Vietnam National University; Bachelor of Economics - Banking and Finance, National Economics University

### Mr. Vu Hong Cao

Member of the Supervisory Board



**From April 2019 to present:** Member of Supervisory Board, VPBank

**From 1998 to 2018:** Held positions of Deputy Chief Internal Auditor at VPBank; Deputy Chief Internal Auditor at Techcombank; Deputy Head of Internal Audit Division at MBBank

Bachelor of Banking and Finance, National Economics University

## Member of the Board of Management



### Mr. Nguyen Duc Vinh

Member of the BOD, Chief Executive Officer

For detailed information, please refer to Chapter VI: The bank's corporate governance, section "Members of the Board of Directors"

### Ms. Luu Thi Thao

Standing Deputy Chief Executive Officer & Senior Executive Managing Director



**From 2011 to present:** Deputy Chief Executive Officer and became Standing Deputy Chief Executive Officer and Senior Executive Managing Director of VPBank from 2021

**From 2009 to August 2011:** Chief Financial Officer, ANZ Bank (Vietnam)

**From 2002 to 2008:** Head of Finance and Accounting Department, Acting COO, ANZ Bank (Vietnam)

**From 2001 to 2002:** Assistant Audit Director, KPMG Vietnam

**From 1998 to 2001:** Head of Internal Audit and Compliance Department, ABN AMRO Bank branch in Vietnam

**From 1997 to 1998:** Senior Auditor, PwC Vietnam

Bachelor of Banking Academy

Member of the The Association of Chartered Certified Accountants UK (ACCA) and the Association of Certified Public Accountants Australia (CPA Australia)

### Mr. Phung Duy Khuong

Standing Deputy Chief Executive Officer in charge of the South; Head of Retail Banking Division



**From 2024 to present:** Standing Deputy Chief Executive Officer in charge of the South cum Head of Retail Banking Division, cum Head of Debt Collection Division, VPBank

**From 2022 to 2024:** Standing Deputy Chief Executive Officer in charge of the South cum Head of Retail Banking Division, VPBank

**From 2019 to 2022:** Deputy Chief Executive Officer in charge of the South cum Head of Retail Banking Division, VPBank

**From 2014 to 2018:** Head of Retail Banking Division and Deputy Chief Executive Officer,

Vietnam Joint Stock Commercial Bank For Industry And Trade (VietinBank)

**From 2010 to 2014:** Head of Retail Banking Division, Vietnam Maritime Commercial Joint Stock Bank (MSB)

**Từ năm 2008 đến năm 2010:** Deputy Chief Executive Officer in charge of Retail Banking, Dong A Joint Stock Commercial Bank (DongA Bank)

**Từ năm 2006 đến năm 2008:** Vice President of Finance, GE Money South East Asia and Business Development Manager, GE Money Vietnam

Master of Accounting, Monash University, Australia

## Member of the Supervisory Board (continued)



### Ms. Pham Thi Nhung

**Member of the BOD, Standing Deputy Chief Executive Officer cum Head of Partnership Management and External Relations Division**

For detailed information, please refer to Chapter VI: The bank's corporate governance, section "Members of the Board of Directors"

### Mr. Kamijo Hiroki

**Deputy Chief Executive Officer**

**From 2024 to present:** Deputy Chief Executive Officer, VPBank

**From 2022 to 2024:** Deputy Chief Executive Officer, SMBC Co., Ltd., China

**From 2021 to 2022:** Director, Enterprise Client II, SMBC Co., Ltd., China

**From 2019 to 2021:** Vorstand, Member of the BOD, Deputy Chief Executive Officer, SMBC Bank EU AG, Germany

**From 2017 to 2019:** Managing Director, Enterprise Clients I, EMEA Division, SMBC, Düsseldorf, Germany

**From 2015 to 2017:** Deputy Director, Corporate Clients Tokyo III, SMBC, Tokyo, Japan

**From 2010 to 2015:** Senior Deputy Chief Executive Officer, SMBC, Canada

**From 2010 to 2012:** Deputy Chief Executive Officer, Head of Japanese Group Division, SMBC, Canada

**From 1993 to 2010:** SMBC

Bachelor of Commerce and Management, Hitotsubashi University



### Ms. Duong Thi Thu Thuy

**Deputy Chief Executive Officer;  
Head of Corporate and Investment Banking Division**

**From 2009 to present:** Deputy Chief Executive Officer, Head of Corporate and Investment Banking Division, VPBank

**From 2002 to 2008:** Held the positions of Manager of Corporate Service Department and Head of Hanoi Branch, VPBank

Bachelor's Degree from Banking Academy and National Economics University; Master of Business Administration, National Economics University







## Mr. Nguyen Thanh Binh

**Deputy Chief Executive Officer; Head of Credit Division**

**From 2002 to present:** Deputy Chief Executive Officer and from 2012 became Deputy Chief Executive Officer cum Head of Credit Division, VPBank

**From 2009 to present:** Chairman of the Members Council, VPBank AMC

**From 2009 to 2022:** Head of the Supervisory Board, Representative of VPBank's capital contribution at

Vietnam Credit Information Joint Stock Company (PCB)

From 1994 to 2002: Held the positions of Credit Officer, Manager of Credit Department, Manager of Research and Development Department/Head of General Department and Branch management at VPBank

Bachelor's Degree, National Economics University



## Mr. Nguyen Thanh Long

**Deputy Chief Executive Officer; Head of Legal and Compliance Division**

**From 2014 to present:** Deputy Chief Executive Officer cum Head of Legal and Compliance Division, VPBank

**From 2013 to 2014:** Head of Legal, Supervision and Debt Handling - Deputy Chief Executive Officer, Tien Phong Commercial Joint Stock Bank (TPBank)

**From 2007 to 2013:** Deputy Chief Executive Officer, Head of Legal Division, Techcombank

**From 1990 to 2007:** Deputy Director General, Department of Legal Affairs, State Bank of Vietnam

Master of Laws, Hanoi Law University



## Mr. Dinh Van Nho

**Deputy Chief Executive Officer; Head of Corporate Banking Division**

**From 2018 to present:** Head of Commercial Banking Division and became Deputy CEO cum Head of Commercial Banking Division since 2018

**From 2014 to 2017:** Head of Northern Corporate Customer Centre

**From 2003 to 2013:** Held the positions of Branch Head/Deputy Head, Regional Head, Area Head, Regional Director, Head of Corporate Customer Middle Market MB, Techcombank

Bachelor of Foreign Trade University; Master of Business Administration, Benedictine University, USA

## Mr Wong Kok Seng Augustine

Chief Information Officer



**From 2019 to present:** Chief Information Officer, VPBank

**From 2014 to 2019:** Vice President in charge of Infrastructure and Information Technology for business areas, DFS Group Limited

**From 2013 to 2014:** Head of Global Data Center Services, Infrastructure Services & Operations, Standard Chartered Bank

**From 2011 to 2012:** Head of Global Data Center, East Region, Technology Operations, Standard Chartered Bank

**From 2010 to 2011:** Head of Infrastructure Services Management, Technology Operations, Standard Chartered Bank

**From 2009 to 2010:** Senior Vice Director, Technology & Operations Cost Management and Head of IT Infrastructure, South and Southeast Asia regions, DBS Bank Singapore

**From 2007 to 2008:** Senior Vice Director, Technology Innovation Program, DBS Bank Singapore

Bachelor of Science, Information Systems & Quantitative Analysis & Economics, Portland State University, USA

## Ms. Tran Thi Diep Anh

Head of Human Resource Division



**From 2018 to present:** Head of VPBank Human Resource Division

**From 2014 to 2018:** Human Resources Director, Carlsberg Vietnam Company

**From 2011 to 2014:** Deputy Head and Head of Human Resource Division at Techcombank

**From 1997 to 2011:** Human Resources Manager, Human Resources Director at Cargill Vietnam Company

Bachelor of University of Transport and Communications and Bachelor of Foreign Language University

## Mr. Andre Debakpouve

Chief Risk Officer



**From December 2024 to present:** Chief Risk Officer, VPBank

**From 2021 to 2024:** Advisor of the BOD and Group Chief Risk Officer, Sydney and Pacific/PNG.

**From 2019 to 2021:** Chief Risk Officer, Asia Pacific Region, Wells Fargo Bank, Hong Kong

**From 2013 to 2019:** Regional Managing Director, Sprint Milestone (Hong Kong/Sydney)

**From 2009 to 2013:** Chief Risk Officer, Asia Pacific Region, Standard Chartered Bank (Singapore).

**From 2007 to 2009:** Head of Reporting & Risk Analysis, ANZ Bank (Melbourne, Australia).

**From 2006 to 2007:** Chief Risk Officer, Baycorp Credit Bureau AUS/NZ (Sydney, Australia).

**From 2003 to 2006:** Manager of Portfolio Management, Suncorp AUS/NZ (Sydney, Australia).

**From 1998 to 2002:** Senior Manager of Risk Management, ANZ Bank (Melbourne, Australia)

Bachelor of Science, Monash University – Australia

## Member of the Board of Management (continued)



### Mr. Nguyen Huy Phach

Head of SME Division

**From 2020 to present:** Head of SME Division, VPBank

**From 2005 to 2020:** Held the positions of Head of Corporate Customer Department - Thang Long Branch, Head of Thang Long Branch, Director of South Hanoi Region, Head of Region 2 of Retail Banking Division, Deputy Head of Credit Division at VPBank

Bachelor of Banking Academy



### Ms. Le Hoang Khanh An

Chief Financial Officer

**From 2014 to present:** Manager of RB Finance Department, Chief Financial Officer of VPBank

**From 2008 to 2014:** Head of Audit Department, Ernst & Young Vietnam Ltd

Bachelor of Banking University of Ho Chi Minh City

ACCA certificate issued by the Association of Chartered Certified Accountants UK



### Ms. Vo Hang Phuong

Head of Financial Markets and Transaction Banking Division

**From April 2023 to present:** Head of Financial Markets and Transaction Banking Division, VPBank

**From 2014 to April 2023:** Held the positions of Head of Financial Institutions and Transaction Banking Centre and Head of International Institution Banking Services Division

**From 2011 to 2014:** Head of Northern Corporate Customer Center, ANZ Vietnam

**From 2007 to 2011:** Held positions of Credit Risk Management and Approval Specialist for Corporate Customers, Corporate Customer Relationship

Manager at HSBC Vietnam

**From 2003 to 2007:** Held the positions of FX and Derivatives Sales Officer, Wholesale Corporate Customer Management Officer at Standard Chartered Bank Vietnam

**From 1994 to 2000:** Held the positions of Financial Institution Relations Manager, Project Financing Credit Officer at Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank)

Bachelor of Hanoi University; Bachelor of Hanoi Foreign Trade University; Master of Economics, New York University, USA

## Member of the Board of Management (continued)



### Ms. Nguyen Thuy Duong

Head of Marketing and Communication Center

**From 2021 to present:** Head of Marketing and Communication Center, VPBank

**From 2020 to 2021:** Communication Head, Tien Phong Commercial Joint Stock Bank (TPBank)

**From 2011 to 2019:** Head of Brand Communication, Ecopark Group

**From 2010 to 2011:** Communications Manager, Vin Group

**From 2008 to 2010:** Communications Manager, Bitexco Group

**From 2005 to 2007:** Reporter, The World and Vietnam Report (Ministry of Foreign Affairs)

Bachelor, University of Social Sciences and Humanities



### Mr. Johnson Poh Wei Li

Head of Enterprise Data and Analytics Division

**From 2023 to present:** Head of Enterprise Data and Analytics Division, VPBank

**From 2019 to 2022:** Head of Artificial Intelligence, UOB Group

**From 2017 to 2019:** Senior Vice President, Head of Data Science & Big Data Analytics, DBS Bank

**From 2016 to 2017:** Chief Data Scientist, ASEAN region, Booz Allen Hamilton, Singapore

**From 2014 to 2016:** Head of Data Science Department, Ministry of Defence, Singapore

**From 2008 to 2014:** Senior Scientist, DSO National Laboratory, Singapore

Master of Applied Mathematics and Statistics, Yale University, USA; Bachelor of Mathematics, Statistics & Economics, University of California, Berkeley, USA



### Ms. Tran Thi Hue

Head of Internal Audit

**From 2024 to present:** Head of Internal Audit, VPBank

**From 2023 to 2024:** Acting Head of Internal Audit, VPBank

**From 2014 to 2023:** Held positions of Audit Expert, Manager and Senior Manager of Audit Policy and General Department - Internal Audit Division, VPBank

**From 2000 to 2014:** Held positions from Audit Assistant to Senior Manager, PriceWaterhouseCoopers Vietnam

Bachelor of Thang Long University

ACCA certificate issued by the Association of Chartered Certified Accountants UK (ACCA) and Member of the Association of Certified Public Accountants (CPA) Australia





## Mr. Mochizuki Masashi

Head of FDI Centre

**From 2023 to present:** Head of VPBank's FDI Centre

**From 2015 to 2022:** Held the positions of Deputy Chief Information Officer cum Head of Alliance Department and Senior Director cum Head of Foreign Direct Investment Department at Vietnam Export-Import Commercial Joint Stock Bank (Eximbank)

**From 2011 to 2015:** Senior Vice President of the Global Advisory Board, SMBC Group, Japan

**From 2006 to 2011:** Head of Corporate Customer Department, SMBC HoChiMinh City Branch.

**From 1994 to 2005:** Worked at SMBC Group  
Bachelor of Laws, Kanazawa University, Japan

## Mr. Vu Minh Truong

Head of Assets and Liabilities Management (ALM) Center

**From 2023 until now:** Head of VPBank's ALM Center

**From 2017 to 2023:** Head of Treasury and Financial Market Division, Techcombank

**From 2015 to 2016:** The first Deputy General Director, Head of Wholesale Banking Division, TPBank

**From 2011 to 2015:** Deputy CEO, Head of Financial Market Division, VPBank

**From 2006 to 2011:** Head of Global

Markets and Head of Institutional Banking, extension Mekong, ANZ Bank Vietnam

**From 2002 to 2006:** Chief Dealer, Global Markets, Standard Chartered Bank Vietnam

**From 1997 to 2002:** Chief Dealer, ABN AMRO Bank Vietnam

Diploma in Business Administration and Management, Technical University of Berlin, Germany

## The change of the members of the Board of Management in 2024

Mr. **Phung Duy Khuong** was appointed Standing Deputy CEO in charge of the South cum Head of RB Division, cum Head of Debt Collection Division

Mr. **Kamijo Hiroki** was appointed as Deputy CEO from 2024

Ms. **Nguyen Thi Minh Nguyet** ceased to hold the position of Head of Operations Division from December 11, 2024 and was officially appointed as Chief Executive Officer of VPBank SMBC Finance Company Limited (VPB SMBC FC)

Mr. **Andre Debakpouwe** was appointed as Chief Risk Officer from December 2024.

Ms. **Tran Thi Hue** was appointed as Head of Internal Audit from 2024.

Mr. **Dmytro Kolechko** ceased to hold the position of Chief Risk Officer from July 1, 2024.

## **2. Report on the Bank's corporate governance**

Recognizing the profound importance of corporate governance in maintaining the stability and sustainability of the bank's operations, VPBank is committed to building a governance environment that exceeds compliance requirements. The bank is a pioneer in enhancing professionalism, transparency and optimizing governance policies, with the ultimate goal of fostering a prosperous and sustainable society.

### **The Board of Directors**

The VPBank's BOD consists of 07 members, including: 01 independent member, 02 executive members (concurrently holding the positions of Chief Executive Officer and Deputy Chief Executive Officer). The term of the Board of Directors is 05 years (2020 - 2025). Of which, 05 members were appointed on May 29, 2020 and 02 members were elected and appointed at the Annual General Meeting of Shareholders on April 29, 2024. Detailed information about each member of the Board of Directors is presented in **Section VI, page 114** of this report.

The functions and responsibilities of the BOD are clearly defined in the Bank's Charter and further detailed in internal documents, including VPBank's Corporate Governance Regulations, the Regulations on the Organization and Operations of the BOD and other relevant governance documents.

The BOD establishes a professional operating apparatus for effective leadership and independence based on principles: decisions are made with prudence, integrity and efficiency for the highest and long-term interests of all shareholders, in harmony with the interests of stakeholders and society.

VPBank's BOD is fully aware of the important role of corporate governance in maintaining business continuity and sustainable development. Particularly with a goal of a sustainable and prosperous future society, VPBank is committed to pioneering and steadfastly implementing policies and initiatives to build a governance environment that goes beyond compliance, focusing on enhancing professionalism and increasing transparency in governance activities.

### **Organize regular meetings of the Board of Directors**

In accordance with the Bank's Charter and the Regulations on Organization and Operations of the BOD, in 2024, VPBank's Board of Directors held 04 regular meetings (quarterly) with the full attendance of all members:

No.	The BOD's member	Number of attended meetings	Attendance rate
1	Ngo Chi Dzung	4	100%
2	Bui Hai Quan	4	100%
3	Lo Bang Giang	4	100%
4	Nguyen Duc Vinh	4	100%
5	Nguyen Van Phuc	4	100%
6	Pham Thi Nhung	3	100%
7	Takeshi Kimoto	3	100%

#### **Executing strategic guidance, shareholder mandates and key decisions in banking operations**

Through 04 periodic meetings and voting by written opinions, the BOD of VPBank issued 357 resolutions in 2024, demonstrating the strategic leadership role, implementation of shareholder-mandated, and decision-making on key issues in the bank's operations. The main contents of these resolutions are as follows:

- Finalizing the list of shareholders and approving the payment of dividends to shareholders in accordance with the resolutions of the AGM.
- Approving the strategies, reviewing, monitoring and overseeing the implementation of the bank's business strategies; approved strategic risk management indicators, policies, and risk appetites across various activities as proposed and advised by the Risk Management Committee.
- Approving the issuance, amendment, supplementation and updating of policies to support business activities in 2024, including lending regulations, entrustment and entrusted management, issuance of valuable papers, offshore lending, private bond issuance, debt trading, and other policies related to governance, such as

decision-making mechanisms, capital adequacy management, independent credit rating management, and cost management...

- Approving and supervising the implementation of quarterly and annual business plans executed by the Board of Management. Regularly updating and providing guidance to align with real-world conditions and the bank's requirements.
- Approving off-shore loans, decisions related to the bank's branch network and proposals exceeding the authority of the representatives of the contributed capital in the bank's subsidiaries.
- Approving the recruitment, termination of employment contracts, salary and benefits packages for high-level personnel; issuing policies and other programs related to organizational structure and personnel as proposed/advised by the Human Resources Committee for subjects within the approval authority of the BOD, in accordance with the law and VPBank's internal regulations.
- Deciding on the expansion/adjustment of the bank's branch network to enhance and optimize business conditions at different periods.

### **Created a strong control environment and closely supervised the Chief Executive Officer and the Board of Management**

The VPBank's BOD conducts oversight of the activities of the Chief Executive Officer, committees under the Chief Executive Officer, Board of Management-level councils and other units and departments within the scope of Internal Control and Risk Management. Additionally, the BOD evaluates the bank's capital adequacy, implementation of business plans/business strategies, and activities identified by the BOD as posing material risks for the bank in compliance, credit, investment, human resources and reputation...

The BOD and its members proactively fulfill their supervisory responsibilities through both direct and indirect methods, ensuring close monitoring of key matters before, during, and after implementation. Accordingly, in 2024, the BOD and its members undertook the following actions:

- Participated in the Board of Management's monthly meetings (12 monthly meetings in 2024) and thematic meetings for areas requiring supervision.



- Engaged in questioning, directing, discussing, and providing feedback during meetings.
- Directed the development, amendment, supplementation, approval and promulgation of risk management policies at VPBank.
- Conducted supervision through daily, weekly, monthly, and quarterly business performance reports, as well as additional reports and proposals from the Board of Management; reviewed and addressed requests from the SBV and other regulatory authorities; and examined reports from the Supervisory Board and Internal Audit regarding the bank's units.
- Additionally, the BOD utilizes specialized committees, such as the Risk Management Committee and the Human Resources Committee... in organizing and implementing supervisory responsibilities.

#### **Establishment of supporting committees in important areas**

Support committees were established to assist the Board of Directors in gathering information, gaining in-depth insights into practical matters, and making well-informed decisions in specialized fields. This enables the BOD to effectively fulfill its strategic guidance and oversight roles.

#### **Human Resources Committee**

The Human Resources Committee consists of 03 members, who are also members of the BOD, including:

<b>No.</b>	<b>Full name</b>	<b>Professional position</b>	<b>Position at Human Resources Committee</b>
1	Ngo Chi Dzung	Chairman of the BOD	Chairman
2	Bui Hai Quan	Vice Chairman of the BOD	Member
3	Lo Bang Giang	Vice Chairman of the BOD	Member

Through direct meetings or by reviewing reports from the Human Resources Division and the Executive Board on matters related to organizational structure, nominations,

remuneration, and personnel evaluation for the bank and its subsidiaries, the Human Resources Committee provided assessments, analyses and advisory opinions to the Board of Directors on relevant issues. In 2024, the Human Resources Committee held 04 quarterly meetings and also provided written feedbacks. Specifically, the Committee's activities in 2024 included:

- Reviewing and providing timely instructions on human resource indicators and monthly activities of the Human Resource Division and subsidiaries.
- Advising the BOD on decisions related to recruitment, appointment, dismissal, salary adjustment, and labor discipline (including legal internal disciplinary actions) for subjects under the approval authority of the BOD.
- Reviewing and evaluating the standards and conditions for appointing additional members to the BOD in 2024.
- Advising the BOD on regular activities such as: 2023 performance evaluation, 2023 performance bonus plan, approval of 2024 headcount and personnel costs, assignment of 2024 KPIs to leadership of VPBank and subsidiaries. Advising the Board of Directors through action plans and key activities across the system in human resource management in 2024.
- Directly evaluating 2024 bank-wide salary review plan, updating positioning for human resource segments at VPBank to serve as a basis for building effective policies and schemes.
- Evaluating and approving Young Talents projects.
- Developing and assessing policies to retain key personnel at the bank.
- Supporting subsidiaries in developing and standardizing human resource management regulations, advising subsidiaries on recruiting and appointing key leadership personnel.
- Advise the Board of Directors on issuing regulations for organizational structure adjustments and supplements for divisions and centers such as the Foreign Direct Investment Center (FDIC), Communication and Marketing Center (MARCOM), Financial Markets and Transaction Banking Division (FMTB), Enterprise Data & Analytics Division (EDA), and updating the organizational structure for the Small and

Medium Enterprise Division (SME), Legal & Compliance Division (L&C), and Debt Collection & Resolution Division (DCD).

### **Risk Management Committee**

The Risk Management Committee consists of the following 7 members:

<b>No.</b>	<b>Full name</b>	<b>Professional position</b>	<b>Position at Risk Management Committee</b>
1	Bui Hai Quan	Vice Chairman of the BOD	Chairman
2	Ngo Chi Dzung	Chairman of the BOD	Member
3	Lo Bang Giang	Vice Chairman of the BOD	Member
4	Nguyen Van Phuc	Independent member of the BOD	Member
5	Nguyen Duc Vinh	Member of the BOD, CEO	Member
6	Luu Thi Thao	Standing Deputy CEO	Member
7	Dmytro Kolechko/Andre DeBakhapouve (Due to a change of Chief Risk Officer in 2024)	Chief Risk Officer	Member

The Risk Management Committee consistently provides timely guidance to enhance the bank's risk management capabilities and adaptability. As a result, VPBank maintained stable asset quality and established a solid foundation for business growth. Specifically, in 2024, the Risk Management Committee held 04 quarterly meetings and provided written opinions on the following matters:

- Closely monitoring VPBank's risk profile within a safe threshold through the 2024–2026 Risk Appetite Statement and the 2024 top-down strategic risk management indicators. Under the advisory of the Risk Management Committee, these indicators were continuously reviewed throughout the year and promptly adjusted to capture material changes in the risk profile, aligning with the bank's business strategy while ensuring compliance with SBV requirements and investor expectations.

- Continuing to implement the risk management framework in compliance with SBV regulations and aiming for further alignment with international best practices. In 2024, VPBank finalized its processes, regulations, models, and IT systems to meet Basel III standards. Simultaneously, the bank continuously refined and upgraded these systems in alignment with SBV guidelines, aiming to be one of the pioneering banks to comprehensively pilot Basel III in 2025.
- Closely monitoring the results of capital adequacy stress tests (ICAAP) and liquidity stress tests (ILAAP), conducted twice a year based on the updated business plan for each period. Adverse scenarios are thoroughly reviewed, closely aligning with global macroeconomic fluctuations. These tests enabled the bank to accurately estimate impacts on capital and liquidity while ensuring contingency plans are in place for all scenarios.
- Monitoring the implementation of the Business Continuity Management Strategy across the bank and providing timely recommendations to the BOD to maintain stable operations while ensuring business development objectives are met at all times.
- Supporting Vietnam's green economic transition by developing specific action plans and roadmap. In 2024, to integrate ESG risk management into the bank's overall Risk Management Framework, the Risk Management Committee advised on monitoring an additional strategic indicator: "Credit exposure to the coal-fired power sector," aiming to gradually reduce exposure to carbon-intensive industries and promote sustainable growth.
- Enhancing information security risk management as increasingly, VPBank faced complex challenges and evolving regulatory requirements both domestically and internationally. The Risk Management Committee advocated for the development of an information security management system that meets advanced international standards (ISO 27001, PCI DSS). At the same time, the committee also provided timely guidance to upgrade the bank's information security system, ensuring strict compliance with new regulations such as personal data protection and the establishment of a centralized biometric database.
- Advising the BOD on approving and issuing documents such as the Cost of Capital applicable for 2025, the Risk Appetite Statement for the 2025 – 2027 period, and the

List of Key activities & Key risks... These documents ensure alignment between the bank's risk appetite and annual objectives, effectively implementing the bank-wide business strategy and compliance with SBV requirements.

### **Activities of independent member of the Board of Directors**

VPBank has 01 independent member of the BOD for the 2020 - 2025 term, being appointed since 2020. The independent member of the BOD meets the qualifications and conditions prescribed by law and VPBank's charter and performs the functions and duties of a Board member.

In 2024, the independent member of the BOD attended 04 quarterly BOD meetings; provided objective and independent opinions on reports and proposals at meetings as well as on matters submitted to the Board in writing.

In addition, the independent member of the BOD participated in approving related-party transactions and supervised the Board of Management's activities through reports from the Supervisory Board, Internal Audit, financial statements and other reports and documents prepared by the Board of Management.

### **Training on corporate governance**

VPBank recognizes corporate governance as a key foundation in our sustainable development strategy. Therefore, the bank regularly sends senior leaders and managers in this field, including the Corporate Governance Officer, Head of Investor Relations and Head of Internal Audit... to participate in courses, seminars, conferences and forums organized by domestic and international partners.

This activity aims to continuously update knowledge and enhance corporate governance capacity, ensuring that VPBank applies advanced governance practices suitable for the market context. In 2024, typical corporate governance training activities for VPBank's senior leaders and managers include:

- Beyond Compliance Corporate Governance Practice - ACGS Workshop.
- Seminar for an Innovative and Efficient Annual General Meeting.
- Listed Companies Conference.

- Workshop on Unlocking the potential of the Board of Directors; Corporate reputation & trust – A Corporate Governance & ESG Perspective.
- Corporate governance training program organized by the State Securities Commission: Key issues in compliance with securities laws and securities market regulations for public and listed companies.
- Conference on the implementation of stock market development tasks in 2024.
- Enhance Corporate Governance Capacity for Listed Enterprises.
- 7th Annual Forum on Corporate Governance: Investing in Corporate Governance: Strategies for Attracting Responsible Investors in the Context of Market Internationalization.

In addition, the bank also sent personnel from the Internal Audit Division, Risk Management Department to participate in Banking Management training courses organized by the State Bank of Vietnam and the Swiss State Secretariat for Economic Affairs (SECO).

The person in charge of corporate governance graduated from the Corporate Governance Secretary Advanced Program (CSMP3) training course organized by the Vietnam Institute of Directors (VIOD).

## **Supervisory Board**

The VPBank Supervisory Board consists of the Head of the Supervisory Board and 02 members. The term of the Supervisory Board is equivalent to that of the Board of Directors, lasting 05 years (2020 - 2025). Detailed information about each member of the Supervisory Board is presented in **Section VI, page 118**.

In 2024, the Supervisory Board held 11 meetings to carry out its functions and duties. During these meetings, the Board reviewed the implementation of key quarterly tasks and provided guidance to the Internal Audit Division on relevant matters. The attendance rate and voting rate at these meetings reached 100%.

The VPBank Supervisory Board performs roles, responsibilities, and duties prescribed in the Law on Credit Institutions, the Bank's Charter, and other relevant legal regulations.

At VPBank, the Internal Audit operates under the Supervisory Board, serving as the 3<sup>rd</sup> line of defense in the 3 lines of defense model; conducting independent, objective reviews and assessments of the appropriateness and compliance with VPBank's internal mechanisms, policies, processes, and regulations; providing recommendations to enhance the effectiveness of systems, processes, and regulations, thereby ensuring the Bank's safe, efficient, and lawful operations. The Internal Audit is responsible for conducting internal audits, monitoring and evaluating the implementation of Internal Audit recommendations, and carrying out other tasks related to the functions and duties of the Supervisory Board as assigned periodically by the Supervisory Board.

**In 2024, the Supervisory Board performed some key activities as follows:**

### ***Supervisory activities of the Supervisory Board over the Board of Directors***

The supervisory activities of the Supervisory Board focus on matters related to its responsibilities as stipulated by law, the Bank's Charter, and the Organization and Operation Regulations of the Supervisory Board, including: the governance and management of VPBank; the implementation of the orientations by the BOD and the Board of Management, goals and business targets approved by the AGM; other matters as stipulated by law.

### ***Coordination between the Supervisory Board and the Board of Directors, Board of Management***

The BOD, Board of Management and Supervisory Board have an appropriate coordination mechanism for monitoring, inspecting, and controlling activities; ensuring that the Supervisory Board implements and completes tasks as per legal regulations, the charter and regulations on the organization and operation of the Supervisory Board. Opinions and recommendations of the Supervisory Board and Internal Audit have been acknowledged by the Board of Management, which timely implemented related corrective measures.

In 2024, the Supervisory Board participated in several meetings with the BOD, committees, and councils to promptly update information for monitoring purposes. Simultaneously, the Board collaborated with the BOD and the Board of Management in directing/implementing the requirements of state governance agencies, supervising and rectifying issues in accordance with the conclusions of inspection agencies (if applicable).

***Auditing VPBank's annual and interim financial statements in accordance with legal regulations and VPBank's internal regulations***

***Other functions and duties of the Supervisory Board***

Additionally, the Supervisory Board directed Internal Audit to carry out various tasks and activities to fulfill the functions and responsibilities of the Supervisory Board as stipulated by law, the Bank's Charter, and the Organization and Operation Regulations of the Supervisory Board, including: Reviewing contracts and transactions involving related parties of members of the Board of Directors, the Supervisory Board and the Board of Management; monitoring financial health and overseeing compliance with regulatory restrictions to ensure operational safety.

***Full compliance with the SBV's periodic and ad-hoc reporting requirements***

***Senior management oversight of Internal Audit***

- The Supervisory Board provides direction, oversight and guidance for Internal Audit activities in accordance with its functions and responsibilities, ensuring the effective implementation of the approved annual audit plan.
- The Supervisory Board directs Internal Audit to update risk assessments and implement necessary adjustments in line with new legal regulations and directives from the SBV related to the Supervisory Board and Internal Audit. This ensures that



audit approaches remain appropriate given the bank's evolving conditions and regulatory requirements.

- The Supervisory Board instructs Internal Audit to monitor and follow up with the Board of Management on the timely and appropriate implementation of audit recommendations.
- The Supervisory Board directs and guides Internal Audit in enhancing its employee quality through training programs to meet audit competency requirements; the development of strategies to retain key Internal Audit personnel by fostering professional growth, providing training in both technical expertise and soft skills and other bank-wide training programs.

***Based on supervisory results and Internal Audit findings, the bank has fundamentally***

- Established an Internal Control System with 3 lines of defense, generally meeting the requirements of Circular 13/2018/TT-NHNN dated May 18, 2018, on the internal control systems of commercial banks and foreign bank branches, including: (i) Clearly defined mechanisms for delegation, authorization, organizational structure, operational procedures, regulations and processes; (ii) Risk identification and control functions embedded within the business and direct support units; (iii) Policies and internal regulations on risk management, risk measurement, risk monitoring, and compliance with legal requirements; (iv) Setting up control and cross-checking units for high-risk business areas and supporting systems.
- Had a set of internal regulations and procedures for Internal Control and Risk Management that align with legal requirements, incorporating key control checkpoints.
- In operation, units generally comply with the bank's internal regulations. Through multi-level supervisory efforts and Internal Audit findings, the Supervisory Board has provided timely recommendations to the Board of Directors and the Board of Management on measures to enhance control mechanisms, improve internal regulations and strengthen a compliance culture within certain units... These efforts aim to mitigate risks, ensure regulatory compliance and enhance operational quality and efficiency.

## **Transaction and Remuneration**

### **Remuneration, salary and bonus of the BOD, Supervisory Board and Board of Management**

The AGM-approved maximum remuneration and operating budget of VPBank's BOD and Supervisory Board in 2024 was equivalent to 0.5% of the consolidated profit before tax, or approximately VND 100 billion. However, the BOD and Supervisory Board's actual remuneration in 2024 was just above VND 17 billion with other operating expenses totaling about VND 7 billion.

The remuneration for the BOD and Supervisory Board members were considered and proposed by the Human Resource Committee and approved by the BOD taking into account the roles, tasks, responsibilities, and contributions of each individual to VPBank. In addition to their positions on the BOD and Supervisory Board of VPBank, members also hold other roles in subsidiaries, in compliance with legal regulations, to leverage their expertise and experience.

At the same time, BOD members receive remuneration solely from VPBank and do not receive bonuses. Details of the remuneration for the BOD and the Supervisory Board are presented separately in the audited financial statements for 2024.

The BOD member concurrently serving as the Chief Executive Officer receives a salary and bonus for this position and does not receive remuneration as a BOD member. The Chief Executive Officer is a high-level executive, and the salary and bonus for this position are determined based on industry competitiveness, reflecting the critical role and contributions to managing VPBank's overall business operations. The Chief Executive Officer's salary is presented in a separate section of the 2024 audited financial statements.

In addition to these benefits, members of the BOD, Supervisory Board and Chief Executive Officer are eligible to participate in the Health & Accident Insurance Program for themselves and their immediate family members under VPBank's general insurance policy.

The bank also purchases insurance such as financial institution professional liability and managers insurance for financial institutions... to protect managers while performing their duties at VPBank.

## **Investor and Stakeholder Relations**

### **Commitment to transparency – the foundation of trust**

With a commitment to fostering a transparent and professional listed company image, VPBank has consistently prioritized information disclosure responsibilities, ensuring equal treatment and protecting the rights of shareholders and stakeholders for over 7 years since its listing. The bank also strictly complies with regulations and requirements from regulatory bodies, including the Law on Credit Institutions, the Law on Securities and the regulations of the Stock Exchange...

To uphold this commitment, VPBank has continuously enhanced internal regulations and improved investor relations practices. In 2024, VPBank ensured timely, comprehensive, and accurate disclosure of regular and extraordinary information in both Vietnamese and English on its website and the state authorities' disclosure system. These disclosures included financial statements, annual reports, corporate governance reports, AGM documents, high-level personnel appointments, related-party transactions and other significant updates.

The 2024 AGM of VPBank was conducted professionally, in full compliance with legal regulations, attracting about 400 shareholders and guests. A dynamic, open and straightforward Q&A session led by the Chairman of the Board of Directors and the Board of Management, provided transparent insights into the bank's business operations and strategic directions. All reports and resolutions were unanimously approved by the AGM and fully disclosed on the bank's website to ensure accessibility for all shareholders, including those who did not attend.

2024 marked the second consecutive year that VPBank paid a cash dividend of 10%. In previous periods, the bank implemented capital increase plans and strengthened the financial foundation, laying the groundwork for sustainable future growth. Maintaining a reasonable and transparent dividend payout ratio, along with proactive investor relations activities, has contributed to building strong trust and satisfaction among VPBank's investors and shareholders community.

### **Fostering engagement and trust – "Beyond Compliance"**

As a bridge between the bank and investors, VPBank's investor relations (IR) function continues to enhance the quality, professionalism, and accessibility of information disclosure

to shareholders and stakeholders. These efforts contribute to improved corporate governance aligned with international standards.

Since its inception, VPBank has identified Investor Relations (IR) as a key driver for sustainable growth and strategic business opportunities. The bank has been proactive and innovative in sharing information, maintaining close relationships with domestic and international partners while pioneering initiatives to support green financing and promote sustainable development.

In recent times, IR has actively assisted and addressed inquiries from shareholders and investors through multiple engagement channels, including phone, email, and chatbots on the bank's website. Discussion content from regular events is posted on the website and IR Events portal, including IR News, financial result reports, and video briefings. All investor-related materials are updated in both Vietnamese and English to ensure timely and consistent communication with domestic and international investors.

In 2024, VPBank organized over 100 IR events, including quarterly earnings calls (attracting an average of 200 investors per event), international seminars, and direct meetings with major investment funds. Notably, all events featured the participation of senior executives, providing investors with direct insights into business results, strategic directions, and the bank's growth outlook. VPBank was the only Vietnamese bank to participate in the "Yuanta Thailand Investment Vision 2025" event, attended by the Chairman of the Stock Exchange of Thailand and leading regional industry experts.

Moreover, VPBank regularly participates in and shares experiences on corporate governance and attracting responsible investors in the context of market internationalization at annual corporate governance seminars and forums organized by the Vietnam Institute of Directors (VIOD).

Beyond strict compliance with current regulations, VPBank actively researches and applies international best practices, including the ASEAN Corporate Governance Scorecard, the Corporate Governance Principles jointly developed by the State Securities Commission and the IFC, the Global Reporting Initiative (GRI) sustainability reporting principles and the United Nations' Sustainable Development Goals (SDGs). VPBank considers these standards as internal benchmarks and expectations from shareholders and investors, aligning with the

bank's comprehensive development strategy and enhancing operational transparency. Achieving corporate governance standards comparable to those of ASEAN and international enterprises will enable the bank to sustain its long-term competitiveness.

With positive operational performance and the effectiveness of IR activities in 2024, VPBank has accomplished remarkable achievements:

- Maintained a position in the Top 5 largest market capitalizations in 2024 within the HoSE Vietnam Sustainability Index (VNSI). Notably, VPB shares have consistently been included in the priority portfolios of major investment funds and reputable ETFs, reaffirming the international financial community's high regard for the bank's sustainable growth potential.
- Ranked among the Top 10 Best Corporate Governance Companies - Large-cap group in 2024 in the 2024 Listed Company Awards 2024 - Listed Companies Conference organized by the Ho Chi Minh City Stock Exchange (HoSE).
- For 6 consecutive times, VPBank was included in the Top 20 companies with the highest ESG scores in HOSE's Vietnam Sustainable Index (VNSI).
- VPBank reaffirmed its international standing by being recognized by Global Business Outlook as Best Investor Relations Bank. This prestigious award recognized the bank's outstanding efforts in IR, demonstrating its commitment to transparency, responsibility and professionalism in corporate governance.

### **Investor relations orientation**

With the official participation of a foreign strategic shareholder, growing interest from the investor community, and the requirement to comply with the Securities Law, the Law on Credit Institutions, and related guiding documents, VPBank has set the following key objectives for its IR activities in 2025: Continuing to perform regular tasks effectively, enhancing the quality of information and communication and strengthening engagement with investors and relevant stakeholders.

VPBank aims to gradually align its IR activities with international standards and best practices, improving operational efficiency and meeting the expectations of shareholders and investors. Simultaneously, the Bank will continue to refine IR regulations to ensure

compliance with current legal requirements and apply them uniformly not only at the parent company but also across all units in the ecosystem.

As ESG becomes a global sustainability trend and a critical factor emphasized by investment funds, VPBank will develop an IR strategy closely integrated with ESG policies and activities in business operations. This strategy will enhance the Bank's reputation and credibility with regulatory bodies and partners, thereby increasing shareholder confidence and reinforcing VPBank's market standing.

## ASEAN Corporate Governance Scorecard

# THE EVALUATION OF VPBANK'S CORPORATE GOVERNANCE PRACTICES ACCORDING TO

- ✓ Compliance
- ✗ Areas for improvement

NO. OF STANDARD	REQUIREMENTS	COMPLIANCE STATUS	VPBank's disclosed information
<b>A RIGHTS AND EQUITABLE TREATMENT OF SHARE HOLDERS</b>			
<b>A.1 Basic Shareholder Rights</b>			
A.1.1	Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend, did the company paid the dividend within 60 days?	✓	VPBank always complies with regulations on paying dividends to shareholders according to the law. In 2024, VPBank paid cash dividends at a rate of 10%, on May 31, 2024, within 60 days from the declaration of Board of Directors (BOD) Resolution No. 05/2024/NQ-HDQT dated April 29, 2024.
<b>A.2 Shareholders should have the opportunity to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings</b>			
A.2.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	✓	The remunerations, salaries, bonuses and other benefits of the BOD and the Supervisory Boards (SB) are reported and approved on the agenda of the Annual General Meeting (AGM).
A.2.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	✓	According to VPBank Charter, VPBank allows non-controlling shareholders to nominate candidates for the BOD if the shareholder or group of shareholders holding 5% or more of the total common shares.
A.2.3	Does the company allow shareholders to elect directors/commissioners individually?	✓	VPBank allows shareholders to elect directors individually.
A.2.4	Does the company disclose the voting procedures used before the start of meeting?	✓	Voting procedures prescribed specifically in the Regulation on organization of the AGM published on the Bank's website before holding the AGM
A.2.5	Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	✓	Questions and answers are clearly recorded in the Discussion summary section in AGM Minutes published on the Bank's website.
A.2.6	Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?	✓	The voting results of each agenda item are disclosed in Ballot Counting Minutes published on the Bank's website.
A.2.7	Does the company disclose the list of board members who attended the most recent AGM?	✓	Shown in the AGM Minutes published on the Bank's website.
A.2.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?	✓	Attendees in the 2024 AGM include the BOD, SB, CEO as clearly stated in the AGM Meeting Minutes published on the Bank's website
A.2.9	Does the company allow voting in absentia?	✓	Absent shareholders can authorize others to attend the meeting and vote on issues at the meeting in accordance with the provisions of the Charter published on the Bank's website.
A.2.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	✓	The company vote by ballot with shareholders applicable to all resolutions at the AGM. Shown in the Regulations on organizing the 2024 AGM.
A.2.11	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	✓	According to the Law on Enterprises (Clause 2, Article 146) and VPBank Charter (Clause 1e, Article 44), the regulations for organizing the 2024 General Meeting of Shareholders have stipulated the composition of the Vote Counting Committee consisting of 3 people, including 01 Chairperson and 02 members nominated by the AGM Chairperson (through the Board of Organisers) and are elected by the AGM. This regulation of VPBank aims to ensure the transparency of the Ballot Counting Board while still ensuring information security for the AGM.
A.2.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?	✓	The decision of the 2024 AGM was published within 24 hours on the Bank's website after the issuance of the Minutes and Resolutions of the AGM.
A.2.13	Does the company provide at least 21 days notice for all AGMs and EGMs?	✓	According to the provisions of VPBank's Charter, the meeting invitation and documents for the 2024 AGM were fully published on the Bank's website at least 21 days in advance.
A.2.14	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?	✓	Shown in the AGM meeting documents published on the Bank's website and sent to each shareholder attending the meeting.
A.2.15	Does the company give the opportunity for shareholders to place item/s on the agenda of general meetings and/or to request for general meetings subject to a certain percentage?	✓	According to the provisions of VPBank's Charter, the Bank ensures the right of shareholders to speak and contribute opinions at the AGM, as shown in the AGM Meeting Minutes. In addition, (groups of) shareholders owning 5% or more of the total number of common shares have the right to convene an extraordinary AGM and/or make written proposals on issues to be included in the agenda of the AGM; or other (groups of) shareholders, opinions will be listened to and received through the Investor Relations department.
<b>A.3 Markets for corporate control should be allowed to function in an efficient and transparent manner.</b>			
A.3.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	✓	VPBank complies with legal regulations to ensure openness, transparency, and reasonableness of merger and acquisition transaction prices, acting in the interests of VPBank and its shareholders.
<b>A.4 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.</b>			
A.4.1	Does the company disclose its practices to encourage shareholders to engage with the company beyond general meetings?	✓	Shown in the Sustainable Development Report (in the Annual Report) - Promote engagement with key stakeholders (Shareholders, Investors) section.
<b>A.5 Shares and voting rights</b>			
A.5.1	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	✓	According to VPBank's Charter, all shares of VPBank are common shares.
<b>A.6 Notice of AGM</b>			
A.6.1	Does each of the resolutions tabled at the most recent annual general meeting deal with only one item, i.e., there is no bundling of several items into the same resolution?	✓	Each resolution in the most recent AGM is only related to one specific item, shown in the 2024 AGM Resolutions published on the Bank's website.



A.6.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	✓	VPBank fully publishes the English version of the notice and documents of the AGM on the same date as the Vietnamese documents on the Bank's website.
<b>Does the notice of AGM/circulars have the following details:</b>			
A.6.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	✓	VPBank publishes full biographies of candidates who will be elected/re-elected on the Bank's website. Shown in the AGM documents of the most recent election in 2024 for the 2020 - 2025 term.
A.6.4	Are the auditors seeking appointment/re-appointment clearly identified?	✓	The AGM approves the list of independent auditing companies and authorizes the Board of Directors to select an auditing unit from the above list, ensuring compliance with legal regulations and financial efficiency. Shown in the AGM Resolutions published on the Bank's website.
A.6.5	Were the proxy documents made easily available?	✓	Proxy form to attend AGM are published on the Bank's website.
<b>A.7 Insider trading and abusive self-dealing should be prohibited.</b>			
A.7.1	Are the directors / commissioners required to report their dealings in company shares within 3 business days?	✓	Members of BOD disclose information at least 3 working days prior to implementing their share transactions in accordance with the law.
<b>A.8 Related party transactions by directors and key executives.</b>			
A.8.1	Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?	✓	The BOD including independent directors/commissioners must directly approve material related party transactions according to the approval authority prescribed in VPBank's Charter (Articles 34,51).
A.8.2	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	✓	Board members with interests related to the parties in the transactions are not having voting rights on those transactions according to the Law on Enterprises and VPBank's Charter (Clause 4, Article 53).
A.8.3	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	✓	Members of the Board of Directors, Supervisory Board, CEO, Deputy CEO and equivalent positions are prohibited from granting credit according to the provisions of VPBank's Lending Regulations, ensuring compliance with the Law on Credit Institutions.
<b>A.9 Protecting minority shareholders from abusive actions</b>			
A.9.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?	✓	Related party transactions are conducted and fully disclosed to ensure compliance with legal regulations.
A.9.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	✓	Shareholders with interests related to the parties in the transactions are not having voting rights on those transactions according to the provisions of VPBank's Charter (Clause 2, Article 34).
<b>C. Sustainability and Resilience</b>			
<b>C.1 Sustainability-related disclosure should be consistent, comparable and reliable, and include retrospective and forward-looking material information that a reasonable</b>			
<b>Material Sustainability-related information should be specified</b>			
C.1.1	Does the company identify/report ESG topics that are material to the organization's strategy?	✓	Shown in the Sustainable Development Report - A clear determination of material areas.
C.1.2	Does the company identify climate change as an issue?	✓	Shown in the Sustainable Development Report - A clear determination of material areas. VPBank also annually releases TCFD (published on the Bank's website) to provide an overview of the Bank's actions to manage climate risks and opportunities for the economy as a whole and the Bank's business activities.
C.1.3	Does the company adopt an internationally recognized reporting framework or standard for sustainability (i.e. GRI, Integrated Reporting, SASB, IFRS Sustainability Disclosure Standards)?	✓	Shown in the Sustainable Development Report - Overview of reporting practices section. VPBank also annually develops Task Force on Climate Related Financial Disclosures according to TCFD recommendations.
<b>The disclosure framework should provide that reliable metrics are regularly disclosed in an easily accessible form</b>			
C.1.4	Does the company disclose quantitative sustainability target?	✓	Shown in Task force on climate-related financial disclosure on the bank's website - Chapter 5 Metrics and Targets.
C.1.5	Does the company disclose sustainability-related performance progress in relation to its previously set targets?	✓	Shown in Task force on climate-related financial disclosure on the bank's website - Chapter 5 Metrics and Targets.
C.1.6	Does the company confirm that its Sustainability Report / Reporting is reviewed and /or approved by the Board or Board Committee?	✓	The CEO, Board members directly review and approve Sustainable Development Report
<b>C.2 Corporate governance frameworks should allow for dialogue between a company, its shareholders and stakeholders to exchange views on sustainability matters</b>			
C.2.1	Does the company engage internal stakeholders to exchange views and gather feedback on sustainability matters that are material to the business of the company?	✓	Shown in the Sustainable Development Report - A clear determination of material areas section.
C.2.2	Does the company engage external stakeholders to exchange views and gather feedback on sustainability matters that are material to the business of the company?	✓	Shown in the Sustainable Development Report - Promote engagement with key stakeholders section.
<b>C.3 The corporate governance framework should ensure that boards adequately consider material sustainability risks and opportunities when fulfilling their key functions in</b>			
<b>Boards should assess whether the company's capital structure is compatible with its strategic goals and its associated risk appetite to ensure it is resilient to different</b>			
C.3.1	Does the company disclose that the board reviews on an annual basis that the company's capital and debt structure is compatible with its strategic goals and its associated risk appetite?	✓	Shown in the Corporate Governance Report (in the Annual Report) - Risk Management Committee section.
<b>C.4 The corporate governance framework should recognise the rights of stakeholders established by law or through mutual agreements and encourage active co-operation</b>			
<b>Does the company disclose a policy and practices that address :</b>			
C.4.1	The existence and scope of the company's efforts to address customers' welfare?	✓	Shown in the Sustainable Development Report, including: Promote engagement with Key Stakeholders (customers), Contributing to the sustainable development goals, Upholding Human Rights (Scope - in providing products and services provided to customers), and services to customers.
C.4.2	Supplier/contractor selection procedures?	✓	Shown in the Sustainable Development Report - Promote engagement with Key Stakeholders section (Scope - Procurement and supply chain operations)
C.4.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	✓	Shown in the Sustainable Development Report, including: Strengthening connections in the supply chain to promote the implementation of sustainable development goals, Upholding Human Rights (Scope - Procurement and supply chain operations).
C.4.4	The company's efforts to interact with the communities in which they operate?	✓	Shown in the Sustainable Development Report, including: Promoting engagement with Key Stakeholders (Local community), CSR.
C.4.5	The company's anti-corruption programmes and procedures?	✓	Shown in the Sustainable Development Report - Anti-corruption section. VPBank's anti-corruption policies are transparently published on the Bank's website.
C.4.6	How creditors' rights are safeguarded?	✓	Shown in the Sustainable Development Report - Promote engagement with Key Stakeholders (Other partners: Lenders/Independent rating agencies) section. VPBank commits to fully comply with legal regulations and commitments to lenders in all activities, including requirements on risk management, periodic/ad-hoc reporting, and disclosure.

C.4.7	Does the company have a separate report/section that discusses its efforts on environment/economy and social issues?	✓	By applying Global Reporting Initiative standards (GRI), VPBank has integrated the Sustainable Development Report into its Annual Report since 2020 and developed a individual Sustainable Development Report in 2024.
<b>C.5</b>	<b>Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.</b>		
C.5.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	✓	Contact information (hotline and email) is widely published in the media including the Bank's website and Annual Report. In addition, VPBank has established and published on its website a Policy on conflict of interest management, outlining VPBank's risk management principles for handling conflicts of interest by the Bank and/or its staff, to ensure that such conflicts do not negatively impact the interests of VPBank, its customers, or other stakeholders.
<b>C.6</b>	<b>Mechanisms for employee participation should be permitted to develop.</b>		
C.6.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	✓	Shown in the Sustainable Development Report, including: Promoting engagement with key stakeholders (Employees), Upholding Human Rights (Scope - In labour relations) Ensuring workplace safety and employee health, Ensure employees' financial benefits.
C.6.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	✓	Shown in the Annual Report - Human Resource Development section.
C.6.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	✓	Shown in the Sustainable Development Report - section Economic benefits for human resources, in which, VPBank applies ESOP program.
<b>C.7</b>	<b>Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the</b>		
C.7.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report	✓	Shown in the Sustainable Development Report - Internal complaint mechanism section.
C.7.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?	✓	Shown in the Sustainable Development Report - Upholding Human Rights section (Scope - In labour relations).
<b>D.</b>	<b>DISCLOSURE AND TRANSPARANCY</b>		
<b>D.1</b>	<b>Transparent ownership structure</b>		
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	✓	VPBank has disclosed information about major shareholders (owning 5% or more of voting shares) in the Financial Statements (in the Annual Report) - Note 42. Related Parties Transactions.
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?	✓	Shown in Corporate governance report (in the Annual Report) - Shareholder structure section and Corporate governance report published on the Bank's website - Investor Relations section.
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?	✓	Shown in Corporate governance report (in the Annual Report) - Shareholder structure section and Corporate governance report published on the Bank's website - Investor Relations section.
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?	✓	Shown in Corporate governance report (in the Annual Report) - Shareholder structure section and Corporate governance report published on the Bank's website - Investor Relations section.
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?	✓	Shown in the Financial Statement (in Annual Report) - General Information (Subsidiaries) and Corporate Governance Report published on the Bank's website - Investor Relations section
<b>D.2</b>	<b>Quality of Annual Report</b>		
	<b>Does the company's annual report disclose the following items</b>		
D.2.1	Corporate objectives	✓	Shown in detail in the Annual Report - About VPBank section.
D.2.2	Financial performance indicators	✓	Shown in detail in the Annual Report - About VPBank and 2024 Business performance section.
D.2.3	Non-financial performance indicators	✓	Shown in detail the Annual Report - Operations of specialised units: IT, HR, OPS, EDA section.
D.2.4	Dividend policy	✓	Shown in detail in the Annual Report - Corporate governance report section.
D.2.5	Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/commissioners	✓	Shown in the Annual Report - Corporate governance report section.
	<b>Corporate Governance Confirmation Statement</b>		
D.2.6	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	✓	Shown in the Annual Report - Corporate governance report section.
<b>D.3.</b>	<b>Remuneration of Members of the Board and Key Executives</b>		
D.3.1	Is there disclosure of the fee structure for non-executive directors/commissioners?	✓	Remuneration of non-executive directors/commissioners is disclosed in the Financial Statement (in the Annual Report) - note 42. Related parties transactions.
D.3.2	Does the company publicly disclose [i.e. annual report or other publicly disclosed documents] details of remuneration of each non-executive director/commissioner?	✓	Remuneration of non-executive directors/commissioners is disclosed in the Financial Statement (in the Annual Report) - note 42. Related parties transactions.
D.3.3	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	✓	Remuneration (fees, allowances, benefit-in-kind and other emoluments) policies of BOD members, SB members and CEO, are stipulated and announced in VPBank's Charter (Article 35) published in the Bank's website.
D.3.4	Does the company publicly disclose [i.e. annual report or other publicly disclosed documents] the details of remuneration of each of the executive directors and CEO [if he/she is not a member of the Board]?	✓	Remuneration of non-executive directors/commissioners is disclosed in the Financial Statement (in the Annual Report) - note 42. Related parties transactions.
<b>D.4.</b>	<b>Disclosure of related party transactions (RPT)</b>		
D.4.1	Does the company disclose its policy covering the review and approval of material RPTs?	✓	Policy on reviewing and approving material RPTs is stipulated in VPBank's Charter (Articles 37,51)
D.4.2	Does the company disclose the name, relationship, nature and value for each material RPTs?	✓	Shown in information disclosures about related party transactions and compiled in the Corporate governance report published on the Bank's website - Investor Relations section.
<b>D.5</b>	<b>Directors and commissioners dealings in shares of the company</b>		
D.5.1	Does the company disclose trading in the company's shares by insiders?	✓	Shown in information disclosures about trading in the company's shares by insiders and the Corporate governance report published on the Bank's website - Investor Relations section.
<b>D.6</b>	<b>External auditor and Auditor Report</b>		
	<b>Where the same audit firm is engaged for both audit and non-audit services</b>		
D.6.1	Are the audit and non-audit fees disclosed?	✓	VPBank discloses information about signing contracts with auditing companies but has not disclosed the fee.

D.6.2	Does the non-audit fee exceed the audit fees?	✓	VPBank discloses information about signing contracts with auditing companies but has not disclosed the fee.
<b>D.7 Medium of communications</b>			
<b>Does the company use the following models of communication</b>			
D.7.1	Quarterly reporting	✓	VPBank periodically updates bilingual quarterly business and operating results documents on the Bank's website. Documents include Financial Reports, Performance Reports, IR News and video discussions with investors, CAR Report and other information disclosures.
D.7.2	Company website	✓	VPBank regularly updates bilingual Vietnamese - English information about the Bank's operations and business on the Bank's website.
D.7.3	Analyst's briefing	✓	VPBank proactively promotes discussions with domestic and foreign analysts about the business results and prospects of VPBank and its subsidiaries.
D.7.4	Media briefings /press conferences	✓	VPBank proactively provides the Bank's information to press and media agencies as well as engaging its experts to participate in the in-depth interviews/dialogues on television to answer questions and concerns from the press.
<b>D.8 Timely filing/release of annual/financial reports</b>			
D.8.1	Are the audited annual financial report / statement released within 120 days from the financial year end?	✓	Fully disclosed on the Bank's website - Investor Relations section in accordance with regulations.
D.8.2	Is the annual report released within 120 days from the financial year end?	✓	Fully disclosed on the Bank's website - Investor Relations section in accordance with regulations.
D.8.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?	✓	VPBank ensures compliance. The annual financial statements are independently audited by independent audit firm and approved by the General Meeting of Shareholders, as reflected in the AGM Resolution published on the Bank's website.
<b>D.9 Company website</b>			
<b>Does the company have a website disclosing up-to-date information on the following:</b>			
D.9.1	Financial statements/reports (latest quarterly)	✓	Fully disclosed on the Bank's website - Investor Relations section
D.9.2	Materials provided in briefings to analysts and media	✓	Some analytical documents of reputable securities companies and credit rating results are fully updated on the Bank's website - Investor Relations section.
D.9.3	Downloadable annual report	✓	Fully disclosed on the Bank's website - Investor Relations section
D.9.4	Notice of AGM and/or EGM	✓	Fully disclosed on the Bank's website - Investor Relations section
D.9.5	Minutes of AGM and/or EGM	✓	Fully disclosed on the Bank's website - Investor Relations section
D.9.6	Company's constitution (company's by-laws, memorandum and articles of association)	✓	Fully disclosed on the Bank's website - Investor Relations section
<b>D.10 Investor relations</b>			
D.10.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?	✓	Fully disclosed on the Annual Report, Sustainability Report and Bank's website - Investor Relations section
<b>E. RESPONSIBILITIES OF THE BOARD</b>			
<b>E.1 Board Duties and Responsibilities</b>			
<b>Clearly defined board responsibilities and corporate governance policy</b>			
E.1.1	Does the company disclose its corporate governance policy / board charter?	✓	VPBank's internal governance regulations and regulations on organization and operation of the BOD are fully disclosed on the Bank's website - Investor Relations section.
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed ?	✓	Fully disclosed on the Bank's website - Investor Relations section
E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated ?	✓	The roles and responsibilities of the BOD members are stipulated and disclosed in VPBank's Charter, Regulations on organization and operation of the BOD, and Corporate Governance Report (in the Annual Report). These documents are disclosed on the Bank's website - Investor Relations section.
<b>Corporate Vision/Mission</b>			
E.1.4	Does the company have an updated vision and mission statement?	✓	VPBank's vision and mission are updated promptly upon any changes and published on the Annual Report and the Bank's website (About Us section)
E.1.5	Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually?	✓	Shown in Corporate governance reports as well as reports of the BOD in the AGM documents, fully published on the Bank's website.
E.1.6	Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?	✓	Shown in Corporate governance reports as well as reports of the BOD in the AGM documents, fully published on the Bank's website.
<b>E.2 Board structure</b>			
<b>Code of Ethics or Conduct</b>			
E.2.1	Are the details of the code of ethics or conduct disclosed?	✓	VPBank's Code of Conduct and Ethical Behaviors are published on the Bank's website - About VPBank section.
E.2.2	Are all directors/commissioners, senior management and employees required to comply with the code/s?	✓	Shown in VPBank's Code of Conduct and Ethical Behaviors are published on the Bank's website - About VPBank section.
E.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?	✓	Shown in VPBank's Code of Conduct and Ethical Behaviors are published on the Bank's website - About VPBank section.
<b>Board Structure &amp; Composition</b>			
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?	✗	VPBank is having 1 independent director/commissioner (accounting for 14%)
E.2.5	Does the company have a term limit of nine years or less or 2 terms of five years <sup>1</sup> each for its independent directors/ commissioners? 1 The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011	✓	Terms for independent director/commissioner is specifically stipulated in VPBank's Charter (Clause 4, Article 49), ensuring compliance with the law.
E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	✓	Shown in VPBank's Charter ( Clause 1c, Article 27) published on the Bank's website.
E.2.7	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?	✓	Not incurred at VPBank.
<b>Nominating Committee</b>			
E.2.8	Does the company have a Nominating Committee?	✓	VPBank has established a Human Resources Committee, which serves as an advisory body under the BOD on decisions related to human resources governance (including organizational structure, nomination of candidates for the BOD, Supervisory Board, other councils and committees, as well as senior management positions of the Bank.)
E.2.9	Is the Nominating Committee comprised of a majority of independent directors/commissioners?	✗	Independent directors/commissioners are not part of VPBank's Human Resources Committee.
E.2.10	Is the chairman of the Nominating Committee an independent director/commissioner?	✗	The Head of VPBank's Human Resources Committee is not an independent director/commissioner.
E.2.11	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	✓	Shown in Corporate Governance Report (in the Annual Report) - Human Resources Committee section.

E.2.12	Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?	✓	Shown in Corporate Governance Report (in the Annual Report)- under Human Resources Committee. In 2024, the Human Resources Committee holds 12 regular monthly meetings
<b>Remuneration Committee / Compensation Committee</b>			
E.2.13	Does the company have a Remuneration Committee?	✓	VPBank has established a the Human Resources Committee at VPBank which has the function of consulting and advising the BOD in making decisions related to organizational structure, management policies and human resource development (including bonuses and remunerations).
E.2.14	Is the Remuneration Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners ?	✗	Independent directors/commissioner are not part of VPBank's Human Resources Committee.
E.2.15	Is the chairman of the Remuneration Committee an independent director/commissioner?	✗	The Chairman of VPBank's Human Resources Committee is not an independent director/commissioner.
E.2.16	Does the company disclose the terms of reference/governance structure/charter of the Remuneration Committee?	✓	VPBank's Human Resources Committee has the function of consulting and advising the Board of Directors on issues related to human resource management (including bonuses and remuneration). The Committee's organizational structure and operations are shown in the Corporate Governance Report (in the Annual Report) - Human Resources Committee section.
E.2.17	Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year?	✓	VPBank's Human Resources Committee has the function of consulting and advising the Board of Directors on issues related to human resource management (including bonuses and remuneration). The Committee's organizational structure and operations are shown in the Corporate Governance Report (in the Annual Report) - Human Resources Committee section. In 2024, the Human Resources Committee held 12 regular monthly meetings.
<b>Audit Committee</b>			
E.2.18	Does the company have an Audit Committee?	✓	VPBank established the Supervisory Board under AGM.The Supervisory Board operates independently and is responsible for conducting internal audits, overseeing, and monitoring compliance with legal regulations and the Bank's Charter in the governance and management activities carried out by the Board of Directors.
E.2.19	Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?	✓	All members of the Supervisory Board are not members of the Board of Directors.
E.2.20	Is the chairman of the Audit Committee an independent director/commissioner?	✓	The Head of the Supervisory Board operates independently from the Board of Directors.
E.2.21	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?	✓	Shown in the Corporate Governance Report (in the Annual Report) - Supervisory Board section. In addition, principles on the roles, obligations, and membership structure of the Supervisory Board are specified in VPBank's internal governance regulations (Chapter IV)
E.2.22	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	✓	The Supervisory Board members are guaranteed to have professional experience in auditing
E.2.23	Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year?	✓	Shown in the Corporate Governance Report (in the Annual Report) - Supervisory Board section. In 2024, the Supervisory Board held 11 meetings.
E.2.24	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	✓	Shown in VPBank's Charter ( Clause 12, Article 59) published on the Bank's website.
<b>E.3 Board Processes</b>			
<b>Board meetings and attendance</b>			
E.3.1	Are the board of directors meeting scheduled before the start of financial year?	✓	Board meetings are scheduled before the start of the financial year.
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	✗	According to the 2024 management report, VPBank's Board of Directors held 4 meetings.
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	✓	Board members attended 100% of Board meetings, as shown in the Corporate Governance Report (in the Annual Report) - Board of Directors section.
E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	✓	Regulations in VPBank's Charter (Article 55) are published on the Bank's website.
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	✓	VPBank is currently conducting studies for implementation.
<b>Access to information</b>			
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	✓	Provisions in VPBank's Charter (Article 55) and Regulations on organization and operation of the Board of Directors (Article 4) published on the Bank's website.
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	✓	The Board of Directors appoints the person in charge of corporate governance, performing the duties of Company Secretary to ensure the effectiveness of VPbank governance activities. Regulations in VPBank's Charter (Article 57) and VPBank's internal governance regulations (Article 16).
E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	✓	VPBank ensures to meet the requirements.
<b>Board Appointments and Re-Election</b>			
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	✓	Shown in VPBank's Charter (Articles 26, 27, 50) and Regulations on organization and operation of the Board of Directors (Articles 14, 15, and 16).
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?	✓	Shown in VPBank's Charter (Article 31) and VPBank's internal governance regulations (Article 11).
E.3.11	Are all directors/commissioners subject to re-election every 3 years, or 5 years for listed companies in countries whose legislation prescribes a term of 5 years each? 2 The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011	✓	The term of VPBank's BOD is 5 years, as stipulated in VPBank's Charter (Clause 4, Article 49) and VPBank's internal governance regulations (Clause 1, Article 11).
<b>Remuneration Matters</b>			
E.3.12	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	✓	Shown in the AGM Resolutions (Article 35) and stipulated in VPBank's Charter (Clause 1 Article 35)
E.3.13	Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interests of the company, such as claw back provision and deferred bonuses?	✓	The policies and evaluation criteria are stipulated in VPBank's Internal Governance Regulations (Articles 35, 36, and 37). The remuneration level is approved by the AGM based on the assessment of business performance, as shown in the AGM Resolutions.
<b>Internal Audit</b>			
E.3.14	Does the company have a separate internal audit function?	✓	VPBank established the Internal Audit Division under the Supervisory Board.
E.3.15	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	✓	Shown in the Sustainable Development Report (in the Annual Report) - ESG experience of senior management section.

E.3.16	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	✓	The appointment and dismissal of internal audit falls under the decision-making authority of the Supervisory Board, as stipulated in VPBank's Charter (Clause 12 Article 59)
<b>Risk Oversight</b>			
E.3.17	Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?	✓	Shown in the Annual Report - Risk Management section.
E.3.18	Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	✓	Shown in the Corporate governance report (in the Annual Report) - Board of Directors section.
E.3.19	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	✓	Shown in the Annual Report - Risk Management Report section.
E.3.20	Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	✓	Shown in the Corporate governance report (in the Annual Report) - Supervisory Board section.
<b>E.4 People on the Board</b>			
<b>Board Chairman</b>			
E.4.1	Do different persons assume the roles of chairman and CEO?	✓	The Chairman of the VPBank's BOD does not concurrently hold the position of CEO.
E.4.2	Is the chairman an independent director/commissioner?	✗	The Chairman of the VPBank's BOD is not an independent Board member.
E.4.3	Is any of the directors a former CEO of the company in the past 2 years?	✓	Mr. Nguyen Duc Vinh is a member of the BOD and currently the CEO of VPBank.
E.4.4	Are the roles and responsibilities of the chairman disclosed?	✓	Specific provisions in VPBank's Charter (Article 52) and Regulations on organization and operation of the Board of Directors (Article 8).
<b>Lead Independent Director</b>			
E.4.5	If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?	✓	VPBank has 1 independent director
<b>Skills and Competencies</b>			
E.4.6	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	✓	All members of the Board of Directors have experience in the banking and finance sector, as shown in the Sustainable Development Report (in the Annual Report) - ESG experience of senior management section.
<b>E.5 Board Performance</b>			
<b>Directors Development</b>			
E.5.1	Does the company have orientation programmes for new directors/commissioners?	✓	VPBank has orientation program for new members of the Board of Directors.
E.5.2	Does the company have a policy and actual practice and programs that encourages directors/commissioners to attend on-going or continuous professional education programmes?	✓	VPBank encourages members of the BOD, SB, CEO, other managers and Company Secretary to participate in training programs on corporate governance, as shown in the Corporate Governance Report published on the Bank's website - Investor Relations section.
<b>CEO/Executive Management Appointments and Performance</b>			
E.5.3	Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	✓	VPBank has developed regulations on succession plans for key leadership and management positions. Shown in the Sustainable Development Report - Corporate Governance section.
E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	✓	Shown in the Corporate governance report (in the Annual Report)- Board of Management performance evaluation section.
<b>Board Appraisal</b>			
E.5.5	Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?	✓	Shown in the Corporate Governance Report (in the Annual Report), the AGM documents based on the provisions of VPBank's Internal governance regulations (Article 35)
<b>Director Appraisal</b>			
E.5.6	Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment?	✓	Shown in the Corporate Governance Report (in the Annual Report), the AGM documents based on the provisions of VPBank's Internal governance regulations (Article 35)
<b>Committee Appraisal</b>			
E.5.7	Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?	✓	Shown in the Corporate Governance Report (in the Annual Report) and Corporate Governance Report, published on the Bank's website.
<b>BONUS ITEMS</b>			
<b>(B)A. RIGHTS OF SHAREHOLDERS</b>			
(B)A.1.1	Does the company allow the use of guaranteed electronic absentee voting at the general meetings?	✓	VPBank already has provisions on the application of information technology in general meetings and the online collection of shareholder votings according to VPBank Charter (Articles 44, 46) and these has been approved by the general meeting of shareholders.
<b>(B)B. EQUITABLE TREATMENTS OF SHAREHOLDERS</b>			
(B)B.1.1	Has the company issued a notice regarding the General Shareholders Meeting (including a detailed agenda and an explanatory notice), as notified to the Stock Exchange, at least 28 days before the meeting date?	✓	VPBank complies with legal regulations and issues notice of the General Shareholders Meeting at least 21 days prior to the official meeting date.
<b>(B)C. SUSTAINABLE AND RESILIENCE</b>			
(B)C.1.1	Are the methods for managing risks and opportunities related to climate change disclosed?	✓	Presented in Climate-Related Financial Disclosures – Chapter 3. Strategy, published on the Bank's website.
(B)C.1.3	Does the company disclose its engagement channels/ dialogues with stakeholders and how the company responds to stakeholders' ESG concerns?	✓	Presented in the Sustainability Development Report - Promoting engagement with key stakeholders and contributing to Sustainable Development Goals sections.
(B)C.1.4	Does the company have a unit/ department/ committee who is specifically responsible for overseeing or managing sustainable governance issues?	✓	Presented in the Sustainability Development Report - Governance Framework towards Sustainable Development section.
(B)C.1.5	Does the company disclose BOD members oversight activities regarding the governance of risks and opportunities related to sustainable development?	✓	Presented in Climate-Related Financial Disclosures – Board of Directors' Oversight of Climate-related opportunities and risks, disclosed on VPBank's website.
<b>(B)D. DISCLOSURE AND TRANSPARENCY</b>			
(B)D.1.1	Are the audited annual financial statement publicly disclosed within 60 days from the fiscal year end?	✓	VPBank disclosed the audited financial statements FY2024 on March 10th, 2025.



<b>(B)E. RESPONSIBILITIES OF THE BOARD</b>			
(B)E.2.2	Does the Nominating Committee implement the process of establishing the quality of directors aligned with the company's strategic directions?	✓	The HR Committee of VPBank enhances and establishes the standards and qualifications for Board members in alignment with the Bank's strategic direction.
(B)E.5.1	Does the Board of Directors define governance processes for IT-related matters such as disruptions, cybersecurity, and disaster recovery to ensure that all key risks are identified, managed, and integrated into the bank's overall risk management framework?	✓	Presented in the Annual Report - Risk Management section.
(B)E.6.1	Does the company have a separate Risk Management Committee?	✓	VPBank has established Risk Management Committee.
<b>PENALTY</b>			
<b>(P)A. RIGHTS OF SHAREHOLDERS</b>			
(P)A.1.1	Did the company fail or neglect to offer fair treatment for share repurchases to all shareholders?	✓	Not incurred at VPBank.
(P)A.2.1	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	✓	VPBank has not recorded any concerns regarding barriers to information discussing among shareholders.
<b>Do shareholders have the right to participate in:</b>			
(P)A.2.2	Amendments to the company's charter?	✓	Regulated under the VPBank Charter (Article 37).
(P)A.2.3	Authorization for additional share issuance?	✓	Regulated under the VPBank Charter (Article 37).
(P)A.2.4	The transfer of all or substantially total assets, which in effect results in the sale of the company?	✓	Regulated under the VPBank Charter (Article 37).
(P)A.3.1	Did the company include any additional unannounced agenda item into the notice of AGM/EGM?	✓	Not incurred at VPBank.
(P)A.3.2	Was the BOD chairman, the Committee chairmans and the CEO absent from the most recent General Meeting?	✓	Attend fully.
<b>Did the company fail to disclose the existence of:</b>			
(P)A.4.1	Shareholders agreement?	✓	Not incurred at VPBank.
(P)A.4.2	Voting cap?	✓	Not incurred at VPBank.
(P)A.4.3	Multiple voting rights shares?	✓	Not incurred at VPBank.
(P)A.5.1	Does a pyramid ownership structure and/or cross-ownership structure exist?	✓	Not incurred at VPBank.
<b>(P)B. FAIR TREATMENT OF SHAREHOLDERS</b>			
(P)B.1.1	Has the company been found to have violated insider trading regulations involving BOD members, the Executive committee, or employees in the past three years?	✓	Not incurred at VPBank.
(P)B.1.2	Does each common share of the company carry one voting right?	✓	Yes. Regulations in VPBank's Charter (Articles 11 and 14) are published on the Bank's website.
(P)B.2.1	Has there been any instance of non-compliance with laws, rules, and regulations related to material or significant related-party transactions in the past three years?	✓	Not incurred at VPBank.
(P)B.2.2	Are there any related-party transactions that could be classified as financial support (i.e., not implemented on a fair market basis) for entities that are not subsidiaries?	✓	Not incurred at VPBank.
(P)B.3.1	Does the company have policies and/or regulations prohibiting Board members and employees from taking advantage of non-public information?	✓	Regulations in VPBank's Charter (Clauses 2 and 3, Article 33) and VPBank's internal governance regulations (Article 32), as published on the Bank's website.
(P)B.4.1	Does the company have a policy requiring Board members to disclose any relevant interests in transactions and any conflicts of interest with the company?	✓	Regulations in VPBank's Charter (Article 32) and VPBank's Internal Governance Regulations (Articles 32, 33, and 34), as published on the Bank's website.
<b>(P)C. ROLE OF STAKEHOLDERS</b>			
(P)C.1.1	Are there any legal violations related to labor/employment/customers/bankruptcy/commerce/competition, or the environment?	✓	VPBank has not recorded any legal violations related to labor/employment/customers/bankruptcy/commerce/competition, or the environment.
(P)C.2.1	Has the company been subject to any regulatory penalties for failing to disclose information within the required timeframe for material events?	✓	Not incurred at VPBank.
(P)C.2.2	Is there any evidence that the company is engaging in greenwashing?	✓	With the consultation of IFC, VPBank has developed a Green Credit Framework and a Sustainable Finance Framework to establish specific principles and guidelines for the use and management of sustainable loans raised from international partners to finance green projects. These frameworks have been recognized by Sustainability as compliant with the Loan Market Association (LMA) Green Loan Principles and the International Capital Market Association (ICMA) Green Bond Principles, and contribute to the United Nations Sustainable Development Goals.
<b>(P)D. DISCLOSURE AND TRANSPARENCY</b>			
(P)D.1.1	Has the company received a "qualified opinion" in its independent audit report?	✓	Unqualified opinion
(P)D.1.2	Has the company received an "adverse opinion" in its independent audit report?	✓	Unqualified opinion
(P)D.1.3	Has the company received a "disclaimer of opinion" in its independent audit report?	✓	Unqualified opinion
(P)D.1.4	Has the company revised its financial statements in the past year for reasons other than changes in accounting policies?	✓	Not incurred at VPBank.
(P)D.2.6	Detailed information on the attendance of Board members at all Board meetings held during the year.	✓	Presented in the Corporate Governance Report (part of the Annual Report) – Board of Directors section.
<b>(P)E. RESPONSIBILITIES OF THE BOARD OF DIRECTORS</b>			
(P)E.1.1	Is there any evidence that the company has failed to comply with any listing rules and regulations in the past year, aside from disclosure requirements?	✓	VPBank fully complies with all listing rules and regulations.
(P)E.1.2	Has there been any instance where a non-executive Board member resigned and raised any governance concerns?	✓	Not incurred at VPBank.

(P)E.2.1	Does the company have any independent Board members who have served for more than nine years or two five-year terms* (whichever is longer) in the same capacity? (* ) A five-year term must be mandated by laws enacted before the ASEAN Corporate Governance Scorecard was introduced in 2011.	✓	Not incurred at VPBank.
(P)E.2.2	Has the company failed to clearly identify who its independent Board members are?	✓	VPBank clearly identifies the independent Board members.
(P)E.2.3	Does the company have any independent Board members serving on more than five boards of publicly listed companies?	✓	Not incurred at VPBank.
(P)E.3.1	(In the past two years) Has any Board member or senior executive previously been an employee or general partner of the company's current independent audit firm?	✓	Not incurred at VPBank.
(P)E.4.1	Has the Chairman of the Board also served as the CEO in the past three years?	✓	The Chairman of the VPBank's BOD does not concurrently hold the position of CEO.
(P)E.4.2	Do independent non-executive members receive stock options or bonus shares?	✓	Not incurred at VPBank.



# Awards, highlight of events and Corporate Social Responsibilities in 2024

# 07



## VII. Awards, highlight of events and Corporate Social Responsibilities in 2024

### 1. Awards

- **Fortune Asia** - Top 500 Largest Companies in the Asia Pacific
- **The Digital Banker** - Best use of Customer Feedback
- **Vietnam Financial Advisors Summit** - Outstanding Financial Management Products/Services in 2024
- **VietnamReport** - Top 10 most prestigious private commercial bank 2024
- **Vietnam Retail Banking Forum** – Digital Bank Award 2024
- **International Finance** - Best Online Payment Banking Services - Vietnam 2024 for VPBank SME
- **International Finance** - Best Priority Banking Services - Vietnam 2024 for VPBank Diamond
- **Global Banking & Finance Review** - Best app for SME & Micro SME - Vietnam 2024
- **Global Banking & Finance Review** - Best Priority Banking Services - Vietnam 2024 for VPBank Diamond
- **Global Business Outlook Awards** - Best Investor Relations Bank – Vietnam 2024

## **2. Highlight of events**

### ***4/2024***

- VPBank hosted its first-ever night run event, “VPBank Can Tho Music Night Run 2024”, combining sports and music to promote a healthy lifestyle, encourage fitness and raise awareness about environmental protection within the community.
- In cooperation with AWS, VPBank organized the VPBank Technology Hackathon 2024, becoming a bridge between the bank and experts, experienced and specialized personnel as well as young talents in information technology, data science and cybersecurity.
- International credit rating agency Moody's Investors Service maintained the credit rating Ba3, stable outlook for VPBank in the April assessment period.

### ***6/2024***

- VPBank became one of the 500 largest companies in Southeast Asia - Fortune 500 ASEAN - in terms of total revenue, alongside many famous regional financial institutions such as DBS, UOB and OCBC from Singapore, Maybank and CIMB from Malaysia, or Kasikornbank and Bangkok Bank from Thailand.

### ***7/2024***

- VPBank and IFC collaborated to co-finance supply chains for coffee exporting companies as an effort to support local SMEs to participate more deeply in the global agricultural supply chain.
- VPBank partnered with BYD to offer flexible and preferential loan packages for customers buying BYD electric vehicles nationwide.

### ***8/2024***

- VPBank officially inaugurated its flagship branch in Ho Chi Minh City, the country's largest economic and financial hub. This event marked the debut of the flagship branch model in Vietnam's banking sector, reflecting VPBank's vision of delivering exceptional customer service and its pioneering position in the digitalization era.

### ***9/2024***

- VPBank launched an interest rate relief program for retail customers affected by Typhoon Yagi, offering a 1 percentage point reduction from the regular interest rate.
- VPBank signed a memorandum of understanding (MOU) with Lotte C&F Vietnam to provide financial solutions for buy-now-pay-later customers.

#### **10/2024**

- VPBank and the Japan Bank for International Cooperation (JBIC) signed a credit agreement of USD 150M to finance renewable energy and power transmission projects in Vietnam, contributing to the realization of the Net Zero goal by 2050.
- VPBank's brand value reached USD 1.35 billion, entering the Top 10 most valuable brands in Vietnam in 2024, according to Brand Finance.
- The annual VPBank Hanoi International Marathon (VPIM 2024) attracted 11,000 athletes from 20 countries and territories.

#### **11/2024**

- VPBank ranked among the Top 20 stocks with the highest ESG scores in the Ho Chi Minh City Stock Exchange's Sustainable Development Index (VNSI) for the 6 consecutive years.
- VPBank was honored in the Top 10 Best Corporate Governance – large-cap group in 2024 in the Award Ceremony - Listed Enterprises Conference 2024 organized by HoSE in Da Lat.
- VPBank inaugurated the VPBank Diamond Elite Lounge, a distinguished 5-star airport lounge at Noi Bai International Airport.

#### **12/2024**

- VPBank Commandos Ultra 2024 returned, marking the 7<sup>th</sup> season and 10 years of the internal program for VPBankers, attracting 150 super warriors on a journey to conquer the challenges at Ta Nang - Phan Dung, Da Lat.
- VPBank and The Gioi Di Dong cooperate in the agent banking partnership, taking advantage of 3,000 retail outlets of The Gioi Di Dong and Dien May XANH nationwide as an effort to expand the bank's coverage.

### **3. Corporate Social Responsibility activities (CSR)**

#### **For a prospering society**

VPBank remains dedicated to supporting the community through a series of CSR initiatives focused on education, poverty alleviation, social welfare and disaster relief efforts following typhoon Yagi, contributing to a prosperous society for both present and future generations.

In 2024, the bank implemented nearly 29 CSR initiatives with a total budget of over VND 232 billion, allocated to school construction projects, assistance for individuals in difficult circumstances and support for those affected by storms and floods... The bank's green identity, closely associated with these practical CSR activities, has become a lasting symbol in the community and society in recent years.

Bearing the name and mission "Prospering Vietnam," VPBank is always aware that nurturing the future generations of the country is one of the most vital responsibilities. Continuing its CSR initiatives in developing high-quality schools with an investment of over VND 100 billion, such as Nguyen Trung Truc High School in Ben Luc, Long An province (2022), VPBank has built and inaugurated Vo Van Tan High School in Long An. This is the first public school in Vietnam to achieve the EDGE Green Certificate by IFC.

The bank has also provided a VND 100 billion donation for the construction of Thu Duc City Secondary School, promising to help alleviate the local shortage of classrooms, supporting Thu Duc City's efforts to enhance education quality and fulfill the goal of education socialization.

In addition to sponsoring the construction of well-equipped schools, VPBank has continued to collaborate with VTV on the charitable program "Pair of loving leaves - Happy to Go to School", disbursing a total of VND 4.9 billion to support the construction and renovation of 25 underprivileged schools in Ha Giang, Lao Cai, Yen Bai, Quang Nam and Kon Tum.

With the bank's support, dilapidated schools have been renovated or newly built, along with clean and well-equipped kitchens, providing warm, nourishing meals for the children. Accompanying the program, nearly 200 VPBank employees from 30 branches nationwide traveled thousands of kilometers through mountainous terrain to personally deliver care and support to the children in remote schools.

VPBank also always takes the lead in responding to calls from the Government and the Vietnam Fatherland Front Central Committee, contributing over VND 100 billion to support the elimination of temporary and dilapidated houses nationwide, while supporting recovery efforts following typhoon Yagi. Additionally, the bank has donated nearly VND 8 billion to the “For the Poor” funds, assisting disadvantaged individuals and policy beneficiaries in various provinces, demonstrating a spirit of solidarity, mutual support and a commitment to social responsibility in all of VPBank's business activities.

VPBank's noble actions have received strong support from the community. Specifically, the program " Pair of loving leaves - Happy to Go to School" reached more than 250 million views and interactions on television and social media platforms, became the most watched programs on VTV1. In addition to the budget from VPBank, the program has attracted nearly VND 14 billion in donations from the community to support schools, making children's dreams of a happy learning environment into reality.

VPBank's CSR programs demonstrate a strong commitment to making positive contributions to the community, spreading humanitarian values and playing a key role in building a sustainable and prosperous society.



# Environmental, Social and Governance report

# 08



## VIII. Environmental, Social and Governance report

VPBank conducted a comprehensive assessment of ESG management aspects presented in detail in **2024 Sustainability Development Report** published by VPBank on our website alongside this Annual Report.

### 1. Sustainable development orientation

In our sustainable development journey, VPBank has identified specific goals and actions based on 3 pillars: Environment, Society and Governance. VPBank aims to foster sustainable prosperity to stakeholders, including customers, communities, employees and shareholders.

Pillar	Goal	Key action
Environment	Control the carbon footprint to achieve the Net Zero goal by 2050.	<ul style="list-style-type: none"> <li>o Reduce direct greenhouse gas emissions from operations through waste management and efficient use of resources.</li> <li>o Reduce indirect greenhouse gas emissions through the management of environmental and climate risk management in credit granting and supply chain.</li> <li>o Promote green and sustainable finance and participation in the carbon credit market.</li> </ul>
Society	Bring sustainable benefits to stakeholders, including: Comprehensive employee development, customer experience enhancement, and	<ul style="list-style-type: none"> <li>o Grow social finance and sustainable finance.</li> <li>o Manage social risks in credit granting and the supply chain.</li> <li>o Develop and implement governance policies that ensure health, safety, fairness, equality and respect for human rights.</li> <li>o Promote corporate culture and vigorously spread 5 core values of VPBankers.</li> </ul>




	positive value contribution to the community.	<ul style="list-style-type: none"> <li>o Offer a variety of modern and safe financial products and services to enhance customer experience.</li> <li>o Strengthen the implementation of corporate social responsibility (CSR) programs and activities.</li> </ul>
Governance	Contribute to sustainable growth by not only focusing on financial efficiency but also emphasizing environmental and social issues, while committing to compliance with legal regulations.	<ul style="list-style-type: none"> <li>o Safeguard shareholder rights and enhance sustainable value in an equitable manner, aligning with the interests of stakeholders, the bank and society.</li> <li>o Apply advanced corporate and risk management principles to continuously improve the governance structure, strengthen risk control effectiveness, and holistically integrate ESG factors into the bank-wide risk management system.</li> <li>o Promote a strong culture of legal compliance, ensuring full adherence to legal regulations and professional ethical standards.</li> <li>o Ensure transparency, comprehensiveness and timeliness in disclosing information, delivering maximum benefits to stakeholders.</li> </ul>



## 2. Assess ESG performance based on key areas




Following its sustainable development orientation, VPBank has identified **13 key topics across 4 key focuses**, including Governance, Economy, Environment and Society, which serve as the foundation for the sustainable development reports.







Focus	Key topics	Goals	Linking to SDGs	2024 achievements













Governance	<p>G-1: Governance model towards sustainable development</p>	<ul style="list-style-type: none"> <li>o Develop a transparent and effective governance system that complies with international sustainable development standards.</li> <li>o Improve management processes, improving capabilities and strengthening the bank's social responsibility.</li> </ul>	 	<ul style="list-style-type: none"> <li>o Top 10 Large-Cap Enterprises with the Best Corporate Governance in 2024.</li> <li>o Top 20 Listed Companies with the highest Sustainability Index (VNSI) under HoSE assessment for 6 consecutive years (2019 - 2024).</li> </ul>
	<p>G-2: Anti-corruption and money laundering to protect national interests</p>	<ul style="list-style-type: none"> <li>o Commitment to legal compliance.</li> <li>o Create an integrity and transparent business environment and strictly comply with legal regulations on anti-corruption and money laundering.</li> <li>o Collaborate with authorities to effectively address</li> </ul>		<ul style="list-style-type: none"> <li>o 100% of employees, including managers, must complete a training course about anti-corruption and money laundering. VPBank has conducted in-depth training to nearly 500 staff in charge of anti-money laundering at their units.</li> <li>o The number of suspicious transactions detected and</li> </ul>




		violations, safeguard the bank's reputation and financial safety for customers and partners.		<p>reported by VPBank in 2024 was over 2.5 times higher than in 2023.</p> <ul style="list-style-type: none"> <li>o There are no instances of the bank being penalized for non-compliance with financial crime prevention laws, nor any financial losses or material compensation arising from related legal lawsuits.</li> </ul>
	G-3: Ensure shareholders' rights	<ul style="list-style-type: none"> <li>o Safeguard shareholder rights and enhance sustainable value equally for all shareholders.</li> <li>o Ensure transparency, comprehensiveness, and timeliness in information disclosure.</li> </ul>	 	<ul style="list-style-type: none"> <li>o Maintain sustainable growth momentum and long-term stock value to ensure shareholder benefits. Pay a cash dividend at a rate of 10% in 2024.</li> <li>o Organize over 100 investor relations events, including periodic earnings announcements.</li> </ul>





Economy	Eco-1: Economic Development	o Credit growth and enhancing digitalization.	  	<ul style="list-style-type: none"> <li>o Total assets of VND 923,848 billion.</li> <li>o Consolidated PBT was VND 20,013 billion, up over 85% yoy.</li> <li>o Capital adequacy ratio was 15.5%, leading the banking industry.</li> <li>o Total credit to customers was VND 709,986 billion, up 18.2% yoy and higher than the industry average of 15%.</li> <li>o VPBank's brand value was USD 1.35 billion in 2024, up nearly 6% yoy, being in Top 10 most valuable brands in Vietnam ranked by Brand Finance.</li> <li>o Contribute VND 4,970 billion to the State Budget.</li> <li>o By the end of 2024, VPBank NEO attracted over 10 million users with more than 700 million online transactions and over 80% of unsecured and secured loan contracts for retail customers were</li> </ul>
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				conducted entirely via the digital platform.
	Eco-2: Sustainable Finance	o Sustainable financial growth.	   	<ul style="list-style-type: none"> <li>o Green credit outstanding balance at the end of 2024 was VND 21,943 billion, up 48.5% year on year. Specifically, 3,708 retail customers and 220 corporate customers were funded by green financing, increasing 6.5 times year on year.</li> <li>o Credit to women-owned SME (WSME) by the end of 2024 was VND 18,581 billion, increasing by 18.9%.</li> </ul>
Environment	E-1: Waste Management	o Mitigate direct greenhouse gas emissions by reducing annual fuel consumption.	 	o Hazardous waste is collected and classified according to regulatory codes, stored in standardized waste storage facilities, and transferred to qualified external contractors for processing in compliance with legal regulations.






	<p>E-2: Manage and use resources effectively</p>		   	<ul style="list-style-type: none"> <li>o Electricity consumption per employee decreased by 10% year on year. And electricity consumption per unit of revenue reduced by 19% year on year.</li> <li>o The total estimated water consumption, based on water usage cost, was 94,500 m<sup>3</sup>. In terms of efficiency, water consumption per employee declined by 6% compared to 2023, while water consumption per unit of revenue reduced by 16%.</li> <li>o Printer ink consumption per employee was reduced by 10% year on year.</li> </ul>
	<p>E-3: Greenhouse Gas Emissions Management</p>			<ul style="list-style-type: none"> <li>o The estimated greenhouse gas emissions for Scope 1 &amp; 2 greenhouse gas emissions in 2024 reduced by 34.8% compared to the base year of 2018.</li> </ul>



				<ul style="list-style-type: none"> <li>o Develop a roadmap to strictly control credit granting for coal-fired power projects.</li> </ul>
	E-4: Mitigate environmental impact	<ul style="list-style-type: none"> <li>o Reduction of indirect greenhouse gas emissions by managing environmental and climate risks in credit granting.</li> </ul>	    	<ul style="list-style-type: none"> <li>o Apply environmental and social risk assessment criteria in the credit granting process to screen, classify and monitor credit granting based on risk levels, ensuring that corporate and household customers comply with environmental protection regulations. Restricted and declined credit granting for industries with high environmental risks. The number of credit proposals assessed for environmental and social risks was 118,256.</li> <li>o Establish a target to achieve Net Zero by 2050, develop and implement a roadmap to reduce the proportion of credit allocated to sectors with negative impacts on the</li> </ul>

				<p>environment and climate, in line with government policies, contributing to Vietnam's greenhouse gas reduction commitments made at COP26.</p> <ul style="list-style-type: none"> <li>o In 2024, VPBank recorded no violations or penalties for non-compliance with environmental laws and regulations.</li> </ul>
Society	S-1: Respecting human rights	<ul style="list-style-type: none"> <li>o Ensuring fairness, responsibility, and transparency in products and services.</li> </ul>	  	<ul style="list-style-type: none"> <li>o Issued and implemented a Statement on Human Rights, ensuring the rights of employees and customers.</li> <li>o No incidents of violations related to discrimination, child labor, forced labor, or other human rights violations were reported in 2024.</li> <li>o 100% of VPBank's employees have labor contracts as stipulated by the law. All decisions related to the rights and interests of employees are made only after negotiation and</li> </ul>

				<p>agreement with the employees.</p> <ul style="list-style-type: none"> <li>o 100% of VPBank's employees have participated in the Trade Union.</li> </ul>
	<p>S-2: Encouraging the long-term, sustainable development of human resources.</p>	<ul style="list-style-type: none"> <li>o Developing and implementing governance policies that ensure health, safety, fairness, and equality.</li> <li>o Promoting the widespread adoption of VPBankers' 5 core values.</li> </ul>	   	<ul style="list-style-type: none"> <li>o Training hours in 2024: 1,681,691.</li> <li>o The number of conducted training courses in 2024: 3,222.</li> <li>o Average learning hours/employee: 110.5</li> <li>o Notable training programs: iLEAD Program, Swiss BET to enhance leadership capabilities, CloudLearning program to enhance knowledge of cloud computing.</li> <li>o Organized VPBank Innovation Contest (WINNOVATE) in collaboration with AWS for employees, along with various activities and initiatives to foster corporate culture.</li> </ul>



				<ul style="list-style-type: none"> <li>o No personnel experienced work-related accidents or injuries.</li> <li>o 100% of employees have been retained and returned to work after maternity leave.</li> </ul>
	S-3: Customer Dedication	<ul style="list-style-type: none"> <li>o Ensuring fairness, responsibility, and transparency in products and services.</li> <li>o Pioneering in providing a variety of modern and safe financial products and services, enhancing customer experience.</li> </ul>	 	<ul style="list-style-type: none"> <li>o Launched the first flagship branch in the Vietnamese banking sector.</li> <li>o Successfully implemented an instant approval system, marking a significant advancement in the digitalization of the credit granting and card issuance process.</li> <li>o Launched Tap2Phone payment acceptance solution (VPBank T2P) for enterprises, stores, and business households...</li> </ul>
	S-4: Social Responsibility	<ul style="list-style-type: none"> <li>o Strengthening the implementation of corporate (CSR) social responsibility programs and activities.</li> </ul>	  	<ul style="list-style-type: none"> <li>o Implemented nearly 29 CSR activities with a total budget of VND 232 billion.</li> <li>o Organized VPBank Technology Hackathon</li> </ul>

			 	<p>program, which attracted more than 650 talented experts in the fields of information technology and data science.</p> <ul style="list-style-type: none"> <li>o Promoted “Future VPBanker” and “VPBank Prosperity Scholarship” programs, awarding nearly 130 scholarships to talented students nationwide.</li> </ul>
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### 3. Environmental Impact Report

VPBank is committed to fully complying with legal regulations on environmental protection and actively implementing resource-saving and circular solutions to optimize resource utilization, minimize waste and reduce greenhouse gas emissions from the bank's operations and business activities. The bank’s initiatives, measures, and achievements in resource conservation, waste reduction and greenhouse gas mitigation are comprehensively detailed in the independently published **2024 Sustainable Development Report**.

In 2024, the bank recorded no violations related to non-compliance with legal regulations and environmental protection requirements.

### 4. Social impact report

#### Respect for human rights

VPBank has emphasized respect for, protection of, and continuous improvement in the implementation of fundamental human rights in accordance with international practices and Vietnam's current legal regulations. At VPBank, human rights are protected through the implementation of policies and regulations for employees, the provision of products and services to customers and the use of products and services by partners.

In 2024, VPBank pioneered in developing and issuing the "Human Rights Declaration" under Decision 241-2024-QĐi-HĐQT and incorporated a human rights course into its mandatory training program to enhance awareness of human rights issues in the organization. As a result, 100% of VPBank's employees (including security officers) fully participated in the human rights training courses.

## Employee policies

### ***Respect for equality and diversity***

VPBank adheres to gender equality policies and regulations in its human resources practices while continuously enhancing diversity within its workforce. As of December 31, 2024, the bank's standalone workforce comprised of 15,003 employees, with female representation detailed below.

Percentage of female leaders in the Board of Management:



**36,8%**



**63,2%**

Percentage of females in the workforce



**58,6%**



**41,4%**

### ***Performance-based remuneration and incentive***

VPBank upholds a competitive remuneration policy aligned with the market standards, considering job nature, seniority, performance and employee competency. In 2024, the bank's average employee income reached VND 320 million, marking an 8.2% increase compared to 2023. Beyond competitive salaries, VPBank provides comprehensive insurance and welfare benefits, reinforcing its commitment to employee well-being and long-term development.

### ***Ensuring workplace safety and employee health***

VPBank prioritizes the physical and mental well-being of its employees by fostering a safe, healthy, and sustainable work environment. Beyond providing comprehensive insurance and regular health check-ups, the bank implements stress management programs, enhances workplace conditions, and promotes awareness of occupational safety and hygiene.

Additionally, VPBank established robust emergency response measures to ensure the safety of our employees and business continuity.

- Establishing a dedicated workplace health and wellness area in the workplace for employees.
- Purchasing health insurance, accident insurance and healthcare coverage for employees, providing financial support for medical treatment in cases of illness or accidents occurring during business trips.
- Organizing annual health check-ups for the employees at major and reputable hospitals/medical facilities along with occupational disease screening for specific job roles.
- Developing and implementing occupational safety and hygiene plans, improving working conditions, providing adequate personal protective equipment and warning signs, and ensuring compliance with other occupational safety, hygiene, and environmental protection regulations. VPBank has completed and issued the 5S Standards (Sort, Set, Shine, Standardize and Sustain) across the bank and established a 5S Evaluation Team to inspect workplace safety and hygiene, promote occupational safety solutions and enhance awareness of resource efficiency and office greening.
- Developing a Human stress management framework applying to employees with specific jobs with medium to high stress levels. Besides, workshops sharing knowledge and experience to improve physical and mental health have been regularly held and received enthusiastic participation from the employees.
- Recording and storing data on the safety and health of the staff in the bank-wide human resource information system.
- Implementing comprehensive policies and procedures, deploying appropriate personnel and equipment and ensuring resource readiness to respond swiftly to emergencies, thereby safeguarding employees, customers and shareholders while maintaining business continuity. Annual fire prevention and evacuation drills, as well as training on storm and flood response, have been conducted to enhance proactiveness in handling potential emergencies and strengthen coordination between leadership, employees, local firefighters and rescue police.

<b>Results</b>		
<b>Type of Injury, Injury Rate (IR), Occupational Disease Rate (ODR)</b>	<b>LDR (Lost Day Rate - unpaid days off/total working days) related to occupational disease/death/injury</b>	<b>AR (Absentee Rate) related to occupational disease/death/injury</b>
<b>0%</b>	<b>0%</b>	<b>0%</b>

### ***Human resource development***

VPBank puts efforts into fostering a dynamic and supportive environment where employees can develop both professionally and personally. VPBank provides optimal conditions for all employees to enhance comprehensively in both professional expertise and soft skills, tailored to their positions and job levels. This is achieved through a series of highly practical training programs designed to continuously strengthen our workforce. The training focuses on equipping employees with a strong professional foundation, a solid understanding and application of management skills, and a long-term career vision, enabling them to achieve significant career growth, attain professional milestones, and remain committed to the bank's long-term development.

Capacity-building training at VPBank is structured into 5 key categories: (i) Corporate culture training, (ii) Leadership development, (iii) Core competencies, (iv) Professional expertise and (v) Onboarding for new employees.

Impressive training figures in 2024

<b>3,222</b>	Total number of courses conducted in 2024
<b>1,681,691</b>	Total training hours across the bank (including centralized training, virtual classrooms and Elearning)
<b>110.5</b>	Average training hours per employee in 2024

#### 4.85/5.0

Average satisfaction score of trainees after completing courses

Average training hours per employee in 2024 by gender	Average training hours per employee in 2024 by job level
<ul style="list-style-type: none"><li>● Male: 86.33 hours</li><li>● Female: 118.74 hours</li></ul>	<ul style="list-style-type: none"><li>● Management: 90.47 hours</li><li>● Non-management: 106.16 hours</li></ul>

#### Report on responsibility to local communities

VPBank remained committed to supporting the community through a series of Corporate Social Responsibility (CSR) initiatives focusing on education, poverty alleviation, social security and natural disaster relief, particularly in response to typhoon Yagi. These efforts reflect the bank's dedication to fostering a more prosperous society for current and future generations. In 2024, VPBank implemented 29 CSR initiatives with a total budget exceeding VND 232 billion, contributing to school construction projects and providing assistance to individuals in difficult circumstances, especially in areas heavily affected by storms and floods. Notable activities in 2024 include:

- Completed and inaugurated Vo Van Tan High School in Long An province, the first public school in Vietnam to achieve EDGE certification from the IFC.
- Provided VND 100 billion in funding for the construction of Thu Duc City Secondary School to help alleviate the classroom shortage in the area, enhancing education quality and achieving the goal of education socialization.
- Sponsored the construction and renovation of 25 schools in disadvantaged mountainous provinces including Ha Giang, Lao Cai, Yen Bai, Quang Nam and Kon Tum with a total disbursement of up to VND 4.9 billion.
- Contributed over VND 100 billion to the program aimed at eliminating temporary and dilapidated houses across the country, supported the No. 3 storm relief efforts, and donated nearly VND 8 billion to "For the Poor" funds, providing assistance to vulnerable individuals and policy beneficiaries in many localities.

- Launched the "Donate old calendars - Give dreams" movement, calling on employees to collect old calendars, used paper and cardboard for recycling. The initiatives resulted in the creation of handmade products, Braille books and notebooks for visually impaired children. More than 3,000 calendars and cardboard materials were donated to the "For Tomorrow" center, the center Health Care, Vocational Training and Production organization Youth with Disabilities in Hanoi.

**Sustainable Finance**

Strengthening international funding mobilization from Development Finance Institutions (DFIs), which are dedicated to supporting sustainable development in both the public and private sectors of developing countries, has supported VPBank in solidifying its capital base for sustainable operations in Vietnam. Additionally, through technical cooperation and capacity-building initiatives with DFIs, VPBank has made significant strides towards becoming a leading bank in Vietnam in sustainable finance. The bank has also embraced global trends in ESG risk management, including the implementation of an environmental and social risk management system, climate risk management, and climate-related financial disclosures in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) standards. Furthermore, VPBank has successfully developed expert teams specializing in environmental and social finance, green finance and sustainable finance...

To enhance transparency in the criteria for selecting projects and loans that meet green, social and sustainable standards, VPBank has developed the Green Finance Framework (2020), the Social Finance Framework (2022) and the Sustainable Finance Framework (2024), aligned with international capital market practices and global agreements, including the United Nations Sustainable Development Goals and the Paris Agreement on climate change. Through these initiatives, VPBank has established a detailed portfolio and specific technical criteria for projects in various green sectors, serving as a basis for assessing and evaluating the positive environmental, climate, or social impacts of each project/loan.

Frame work	Issuance year	Reference standard(s)	SPO provider	Link
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Green Credit Framework	2020	LMA & APLMA Green Loan Principles 2018		<a href="https://www.vpbank.com.vn/-/media/vpbank-latest/8aboutvpbank/phantrien-ben-vung/082020_khung-tn-dng-xanh-ca-vpbank.pdf">https://www.vpbank.com.vn/-/media/vpbank-latest/8aboutvpbank/phantrien-ben-vung/082020_khung-tn-dng-xanh-ca-vpbank.pdf</a>
Social Finance Framework	2022	ICMA Social Bond Principles 2021 and LMA, APLMA & LSTA Social Loan Principles 2021		<a href="https://www.vpbank.com.vn/-/media/vpbank-latest/8aboutvpbank/phantrien-ben-vung/khung-tai-chinh-xa-hoi">https://www.vpbank.com.vn/-/media/vpbank-latest/8aboutvpbank/phantrien-ben-vung/khung-tai-chinh-xa-hoi</a>
Sustainable Finance Framework	2024	ICMA Green Bond Principles 2021 (GBP), Social Bond Principles 2023 (SBP), Sustainability Bond Guidelines 2021 (SBG); LMA, APLMA & LSTA Green Loan Principles 2023 (GLP), and Social Loan Principles 2023 (SLP)		<a href="https://www.vpbank.com.vn/-/media/VPBank%20Latest/8AboutVPBank/Phat%20trien%20ben%20vung/2024/Khung-Tai-chinh-Ben-vung-2024.pdf">https://www.vpbank.com.vn/-/media/VPBank%20Latest/8AboutVPBank/Phat%20trien%20ben%20vung/2024/Khung-Tai-chinh-Ben-vung-2024.pdf</a>

The above frameworks have been audited by Sustainalytics, the world's leading ESG research, rating and data company for Second Party Opinions (SPO), to comply with 4 core



components in line with international standards on: (i) Use of proceeds; (ii) Process for Project Evaluation and Selection; (iii) Management of Proceeds; (iv) Reporting and bringing positive impacts aligned with the United Nations Sustainable Development Goals (SDGs).

### ***Green Finance***

In 2024, VPBank's total green credit balance reached VND 21,943 billion, marking a 48.5% growth compared to the end of 2023. This growth was primarily driven by loans supporting low-carbon transportation, green buildings, recycling and circular economy initiatives, sustainable agriculture and forestry, and renewable energy. The number of customers benefiting from green financing totaled 3,708 retail clients and 220 corporate clients, representing a 6.5-fold increase compared to the previous year.

### ***Social Finance***

VPBank is dedicated to supporting local communities by providing accessible financial services to retail customers, business households, SME, micro-SMEs (MSME), and women-owned medium and small enterprises (WMSE). In particular, the bank strategically prioritizes MSMEs and WSMEs by offering advanced financial solutions and digital services that simplify the application and credit assessment process for these business segments.

In 2024, credit to WSMEs totaled VND 18,581 billion, marking an increase of 18.9% compared to 2023 and accounting for nearly 28% of the total outstanding balance of the SME portfolio. The credit balance for MSMEs reached VND 19,214 billion, reflecting a 6.1% growth compared to 2023. Both the WSME and MSME segments demonstrated strong year on year growth, with the number of customers increasing by 24.3% and 11.5%, respectively.



# Financial statements

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## **IX. Financial statements**

- 1. Independent auditor' report**
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- 3. Consolidated statement of profit or loss**
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- 5. Notes to the consolidated financial statements**

# Vietnam Prosperity Joint Stock Commercial Bank

Consolidated financial statements

For the year ended 31 December 2024



# Vietnam Prosperity Joint Stock Commercial Bank

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# Vietnam Prosperity Joint Stock Commercial Bank

## GENERAL INFORMATION

### THE BANK

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

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

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

### *Charter capital*

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

### *Operational network*

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

## BOARD OF DIRECTORS

Members of the Board of Directors of the Bank during the year and at the date of the consolidated financial statements are as follows:

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

## BOARD OF SUPERVISION

Members of the Board of Supervision of the Bank during the year and at the date of the consolidated financial statements are as follows:

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

# Vietnam Prosperity Joint Stock Commercial Bank

GENERAL INFORMATION (continued)

## MANAGEMENT

Members of the Management of the Bank during the year and as at the date of the consolidated financial statements are as follows:

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

## LEGAL REPRESENTATIVE

The legal representative of the Bank during the year ended 31 December 2024 and at the date of consolidated financial statements is Mr. Ngo Chi Dzung – Chairman.

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

## AUDITORS

The auditor of the Bank is Ernst & Young Vietnam Limited.







Ernst & Young Vietnam Limited  
20th Floor, Bitexco Financial Tower  
2 Hai Trieu Street, District 1  
Ho Chi Minh City, S.R. of Vietnam

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ey.com

Reference: 11601597/E-68403199-HN

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of  
Vietnam Prosperity Joint Stock Commercial Bank**

We have audited the accompanying consolidated financial statements of Vietnam Prosperity Joint Stock Commercial Bank ("the Bank") and its subsidiaries as prepared on 7 March 2025 and set out on page 6 to 95 which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated cash flow statement for the year then ended and the notes thereto.

### ***Management's responsibility***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements, and for such internal control as Management determines is necessary to enable the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank and its subsidiaries' preparation and fair presentation of the consolidated 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 Bank and its subsidiaries' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2024, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements.

**Ernst & Young Vietnam Limited**



Dang Phương Hà  
Deputy General Director  
Audit Practicing Registration  
Certificate No. 2400-2023-004-1



Tran Thi Thu Hien  
Auditor  
Audit Practicing Registration  
Certificate No. 2487-2023-004-1

Hanoi, Vietnam

7 March 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at 31 December 2024

	Notes	31 December 2024 VND million	31 December 2023 VND million
<b>ASSETS</b>			
Cash, gold and gemstones	5	2,148,289	2,284,990
Balances with the State Bank of Vietnam ("the SBV")	6	14,327,215	8,422,511
Placements with and credit granting to other credit institutions ("CIs")		134,643,662	94,093,778
Placements with other CIs	7.1	126,527,280	81,299,073
Credit granting to other CIs	7.2	8,116,382	12,794,705
Securities held for trading	8	13,110,971	12,325,809
Securities held for trading		13,180,721	12,406,274
Provision for securities held for trading		(69,750)	(80,465)
Loans to customers		676,545,598	551,472,066
Loans to customers	10	692,875,738	566,271,290
Provision for credit losses of loans to customers	11	(16,330,140)	(14,799,224)
Debts purchased	12	799,825	821,761
Debts purchased		805,869	827,971
Provision for debts purchased		(6,044)	(6,210)
Investment securities		52,783,054	94,587,476
Available-for-sale securities	13.1	51,857,428	88,050,457
Held-to-maturity securities	13.2	992,927	6,755,260
Provision for investment securities	13.3, 13.4	(67,301)	(218,241)
Long-term investments	14	189,210	189,210
Fixed assets		2,023,899	1,923,801
Tangible fixed assets	15.1	1,437,082	1,298,099
Cost		3,406,801	2,994,200
Accumulated depreciation		(1,969,719)	(1,696,101)
Intangible fixed assets	15.2	586,817	625,702
Cost		2,086,191	1,908,548
Accumulated amortization		(1,499,374)	(1,282,846)
Other assets		27,275,914	51,445,520
Receivables	16.1	11,411,320	33,969,441
Interest and fees receivable	16.2	8,384,069	8,976,228
Deferred tax assets	24.2	1,195,836	1,297,724
Other assets	16.3	6,547,735	7,354,383
In which: Goodwill	17	41,310	118,507
Provision for other assets	16.4	(263,046)	(152,256)
<b>TOTAL ASSETS</b>		<b>923,847,637</b>	<b>817,566,922</b>

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

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

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

**CONSOLIDATED OFF-BALANCE SHEET ITEMS**

	Notes	31 December 2024 VND million	31 December 2023 VND million
<b>Contingent liabilities and commitments</b>	<b>40</b>	<b>690,753,389</b>	<b>641,955,933</b>
Credit guarantees		848,721	1,754,978
Foreign exchange commitments		300,000,752	296,858,798
- Foreign exchange commitments – buy		2,972,620	264,965
- Foreign exchange commitments – sell		1,955,905	992,663
- Swap transaction commitments – receive		147,811,792	147,839,284
- Swap transaction commitments – pay		147,260,435	147,761,886
Letters of credit		16,461,049	38,680,116
Other guarantees		26,008,227	19,546,205
Other commitments		347,434,640	285,115,836
<i>In which: Unused revocable credit limits</i>		229,511,446	205,810,854
<b>Other off-balance sheet items</b>	<b>41</b>	<b>212,782,373</b>	<b>150,407,788</b>
Uncollected interests and fee receivables	41.1	7,668,183	8,211,807
Bad debts written off	41.2	82,187,400	51,100,127
Other assets and documents	41.3	122,926,790	91,095,854
		<b>903,535,762</b>	<b>792,363,721</b>

Prepared by:

Reviewed by:

Approved by:





Ms. Pham Minh Thu  
Head of General &  
Policy Accounting  
Department

Ms. Nguyen Thi Thu Hang  
Chief Accountant

Ms. Le Hoang Khanh An  
Chief Financial Officer

Mr. Nguyen Duc Vinh  
Chief Executive Officer

Hanoi, Vietnam

**07-03-2025**



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

	Notes	2024 VND million	2023 VND million
Interest and similar income	27	80,111,645	76,557,377
Interest and similar expenses	28	(31,031,238)	(38,382,701)
<b>Net interest and similar income</b>		<b>49,080,407</b>	<b>38,174,676</b>
Fee and commission income		13,201,660	12,307,787
Fee and commission expenses		(7,075,337)	(5,095,905)
<b>Net fee and commission income</b>	<b>29</b>	<b>6,126,323</b>	<b>7,211,882</b>
<b>Net gain/(loss) from trading of foreign currencies</b>	<b>30</b>	<b>827,240</b>	<b>(805,973)</b>
<b>Net gain from held-for-trading securities</b>	<b>31</b>	<b>360,956</b>	<b>380,173</b>
<b>Net gain from investment securities</b>	<b>32</b>	<b>469,667</b>	<b>250,032</b>
Other operating income		9,559,809	7,774,012
Other operating expenses		(4,182,147)	(3,248,461)
<b>Net gain from other operating activities</b>	<b>33</b>	<b>5,377,662</b>	<b>4,525,551</b>
<b>Income from investments in other entities</b>	<b>34</b>	<b>12,801</b>	<b>3,147</b>
<b>TOTAL OPERATING INCOME</b>		<b>62,255,056</b>	<b>49,739,488</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>35</b>	<b>(14,339,732)</b>	<b>(13,941,218)</b>
<b>Net profit before provision for credit losses</b>		<b>47,915,324</b>	<b>35,798,270</b>
Provision expenses for credit losses	36	(27,902,624)	(24,994,374)
<b>PROFIT BEFORE TAX</b>		<b>20,012,700</b>	<b>10,803,896</b>
Current corporate income tax expenses	24.1	(3,962,779)	(2,984,015)
Deferred corporate income tax (expenses)/income		(63,095)	674,290
<b>Corporate income tax expenses</b>		<b>(4,025,874)</b>	<b>(2,309,725)</b>
<b>PROFIT AFTER TAX</b>		<b>15,986,826</b>	<b>8,494,171</b>
<b>Non-controlling interests</b>		<b>208,031</b>	<b>(1,479,768)</b>
<b>Net profit of the Bank's shareholders</b>		<b>15,778,795</b>	<b>9,973,939</b>
<b>Basic earnings per share (VND/share)</b>	<b>26</b>	<b>1,989</b>	<b>1,433</b>

Prepared by:

Reviewed by:






Ms. Pham Minh Thu  
Head of General &  
Policy Accounting  
Department

Ms. Nguyen Thi Thu Hang  
Chief Accountant

Ms. Le Hoang Khanh An  
Chief Financial Officer

Mr. Nguyen Duc Vinh  
Chief Executive Officer

Hanoi, Vietnam

07-03-2025

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2024

	<i>Notes</i>	2024 VND million	2023 VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest and similar receipts		79,761,557	75,607,344
Interest and similar payments		(34,127,232)	(33,563,210)
Net fee and commission receipts		6,885,044	6,769,431
Net receipts from trading of foreign currencies, gold and securities trading activities		1,378,451	504,746
Other (expenses)/income		(198,681)	2,065,153
Recoveries from bad debts previously written-off		5,574,886	2,495,093
Payments for employees and other operating activities		(13,510,646)	(13,563,177)
Corporate income tax paid in the year	24	(3,503,868)	(4,082,839)
<b>Net cash flows from operating activities before changes in operating assets and liabilities</b>		<b>42,259,511</b>	<b>36,232,541</b>
<b>Changes in operating assets</b>			
Decrease/(increase) in placements with and credit granting to other credit institutions		4,678,323	(5,581,091)
Decrease/(increase) in investment securities		39,520,021	(15,071,380)
Increase in loans to customers and debt purchased		(129,369,500)	(132,240,812)
Decrease in provision to write off loans to customers, securities and long-term investments		(23,511,227)	(19,444,959)
Decrease in changes in other operating assets		22,837,018	1,051,359
<b>Changes in operating liabilities</b>			
(Decrease)/increase in amounts due to the Government and the State Bank of Viet Nam		(4,112,598)	2,189,078
Increase in deposits and borrowings from financial institutions and other credit institutions		45,399,770	16,107,535
Increase in customer deposits		43,298,167	139,216,964
Increase/(decrease) in valuable papers issued (except for valuable papers issued for financing activities)		19,188,392	(15,912,662)
Decrease in other borrowed and entrusted funds		(11,151)	(25,005)
Increase/(decrease) in derivatives and other financial liabilities		27,665	(14,977)
(Decrease)/increase in other operating liabilities		(2,888,206)	4,952,988
<b>Net cash flows from operating activities</b>		<b>57,316,185</b>	<b>11,459,579</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of fixed assets		(59,296)	(107,210)
Proceeds from disposal of fixed assets		1,715	965
Payments for disposal of fixed assets		(259)	-
Cash dividend and profit appropriation from long-term investments		12,801	3,147
<b>Net cash flows used in investing activities</b>		<b>(45,039)</b>	<b>(103,098)</b>

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

	<u>Notes</u>	<u>2024</u> <u>VND million</u>	<u>2023</u> <u>VND million</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in share capital from capital contribution and/or share issuance		-	35,897,546
Dividends paid to shareholders, profits distributed		(7,935,832)	(7,933,924)
Proceeds from sale of treasury shares		-	302,196
<b>Net cash flows (used in)/from financing activities</b>		<b>(7,935,832)</b>	<b>28,265,818</b>
<b>Net cash flows in the year</b>		<b>49,335,314</b>	<b>39,622,299</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>93,667,470</b>	<b>54,045,171</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>37</b>	<b>143,002,784</b>	<b>93,667,470</b>
<b>SIGNIFICANT NON-CASH TRANSACTIONS IN THE YEAR</b>			
Decrease in share premium due to issuance of treasury shares for ESOP		-	(581,270)

Prepared by:

Reviewed by:

Approved by:






Ms. Pham Minh Thu  
Head of General &  
Policy Accounting  
Department

Ms. Nguyen Thi Thu Hang  
Chief Accountant

Ms. Le Hoang Khanh An  
Chief Financial Officer

Mr. Nguyen Duc Vinh  
Chief Executive Officer

Hanoi, Vietnam

07-03-2025



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

**1. GENERAL INFORMATION**

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

The Bank was established pursuant to Banking License No. 0042/NH-GP dated 12 August 1993 issued by the State Bank of Vietnam (“the SBV”) and Business Registration Certificate No. 0100233583 dated 08 September 1993 issued by Hanoi Department of Planning and Investment which was amended for the 45<sup>th</sup> time on 27 November 2023. The Bank started operation on 12 August 1993 with an operation period of 99 years.

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

***Charter capital***

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

***Operational network***

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

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

## 1. GENERAL INFORMATION (continued)

### *Subsidiaries*

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

<i>Subsidiaries</i>	<i>Operating license</i>	<i>Nature of business</i>	<i>Share capital</i>	<i>Ownership</i>
VPBank Asset Management Company Limited ("VPB AMC")	Business Registration Certificate No. 0105837483 issued by Hanoi Department of Planning and Investment which was last amended on 12 May 2023	Asset and liabilities management	VND115 billion	100%
VPBank SMBC Finance Company Limited ("VPB SMBC FC")	Business Registration Certificate No. 0102180545 issued by the Ho Chi Minh City Department of Planning and Investment, which was most recently amended on 29 May 2024	Other finance activities	VND10,928 billion	50%
VPBank Securities JSC ("VPBankS")	Security business license No. 106/UBCK-GP issued by the State Securities Commission on 08 April 2009 and the latest Adjustment License on 11 December 2024	Securities activities	VND15,000 billion	99.9537%
OPES Insurance JSC ("OPES") (*)	Establishment and operation license No. 79/GP/KDBH issued by the Ministry of Finance on 20 March 2018 and the latest Adjustment License on 19 June 2024	Non-life insurance business	VND1,265 billion	99.13%

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

### *Employees*

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

## 2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

### 2.1 *Fiscal year*

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

### 2.2 *Accounting currency*

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

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

### 3. APPLIED ACCOUNTING STANDARDS AND SYSTEM

#### 3.1 *Statement of compliance*

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

#### 3.2 *Basis of preparation*

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

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

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

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

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

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

#### 3.3 *Basis of assumptions and uses of estimates*

The presentation of the consolidated financial statements require the Board of Management of the Bank to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provision. These estimates are based on assumptions for some factors with different levels of objectivity and uncertainty. The actual results may differ from such estimates and assumptions and lead to the adjustment in relevant accounts afterwards.

#### 3.4 *Basis of consolidation*

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

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control and continued to consolidate until the date on which the Bank ends its control over the subsidiaries.

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

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

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

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

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 *Changes in accounting policies and disclosures*

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

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

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

Law on Credit Institutions stipulates an increase in the rate of appropriation to the Capital Supplementary Reserve from 5% to 10%.

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

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

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

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

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

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

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

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

*Circular 06/2024/TT-NHNN ("Circular 06") dated 18 June 2024, amends and supplements several provisions of Circular 02/2023/TT-NHNN ("Circular 02") dated 23 April 2023, issued by the Governor of the State Bank of Vietnam, regulating credit institutions and foreign bank branches in restructuring the repayment period and maintaining the debt group to support customers facing difficulties, effective from 18 June 2024.*

Circular 06 extends the period for restructuring the repayment period and maintaining the debt group according to Circular 02 until 31 December 2024.

*Circular No. 53/2024/TT-NHNN ("Circular 53") regulates the restructuring of the repayment period by credit institutions and foreign bank branches for customers facing difficulties due to the impacts and damages caused by Storm No. 3, flooding, landslides after Storm No. 3, effective from 4 December 2024.*

Circular 53 applies to credit institutions, foreign bank branches, and customers facing difficulties due to the impacts and damages caused by Storm No. 3 in 26 provinces and cities. Customers are considered for debt restructuring if they have principal debts arising before 7 September 2024, with repayment obligations from 7 September 2024, to 31 December 2025, and are assessed to have the ability to repay after restructuring. The restructuring period extends until 31 December 2025, with a maximum repayment term until 31 December 2027. The Bank is responsible for reviewing and deciding on restructuring, classifying debts, setting aside risk provisions, and monitoring interest receivables for restructured debts in accordance with the regulations in the Circular.



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

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

##### 4.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, gold, balance with the SBV, demand deposits and placements with other CIs with an original maturity of three months (3) or less from the transaction date, securities with recovery or maturity of three (3) months or less from date of purchase which are convertible into a known amount of cash and do not bear liquidity risk as at the reporting date.

##### 4.3 Placements with and credit granting to other credit institutions

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

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

##### 4.4 Loans to customers

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

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

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

##### 4.5 Loan classification and provision for credit losses

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

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

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

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

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

The specific provision for debts as at 31 December is calculated based on the principal balance minus the discounted value of collateral, multiplied by the provisioning rates determined according to the debt classifications as at 31 December.

The basis for determining the deductible value of collateral is prescribed in Decree 86.

Loan classification and the specific provision rates for its corresponding group are presented as follows:

Group		Description	Provision rate
1	Current	(a) Current debts are assessed as fully and timely recoverable for both principals and interests; or (b) Debts are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	0%
2	Special mention	(a) Debts are overdue for a period up to 90 days; except those prescribed in point (b) of group 1; or (b) Debts with first-time restructured repayment terms which are undue.	5%
3	Sub standard	(a) Debts are overdue for a period of between 91 days and 180 days; or (b) Debts with first-time extended repayment terms which undue; or (c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under agreements; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: <ul style="list-style-type: none"> <li>▶ Debts made in compliance with Clause 1, 3, 4, 5, 6 under Article 134 of Law on Credit Institutions; or</li> <li>▶ Debts made in compliance with Clause 1, 2, 3, 4 under Article 135 of Law on Credit Institutions; or</li> <li>▶ Debts made in compliance with Clauses 1, 2 and 5 under Article 136 of Law on Credit Institutions.</li> </ul>	20%
		(e) Debts are required to be recovered according to regulatory inspection, examination conclusions; or (f) Debts that need to be recovered under premature debt recovery decisions of credit institutions or foreign bank branches due to borrowers' breach of agreements with them, but are not yet recovered within a period of less than 30 days from the effective dates of recovery decisions; or (g) At the request of the State Bank based on the results of inspection, supervision and relevant credit information.	

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

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

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

Group		Description	Provision rate
4	Doubtful	(a) Debts are overdue for a period of between 181 days and 360 days; or (b) Debts which the repayment terms are restructured for the first-time but still overdue for a period up to 90 days under that restructured repayment term; or (c) Debts with second-time extended repayment terms which undue; (d) Debts are specified in point (d) of Loan group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or (e) Debts are required to be recovered according to regulatory inspection, examination conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection, examination conclusions; or (f) Debts that need to be recovered under premature debt recovery decisions of the Bank due to borrowers' breach of agreements with them, but are not yet recovered in between 30 and 60 days from the effective dates of recovery decisions; or (g) At the request of the State Bank based on the results of inspection, supervision and relevant credit information.	50%
5	Loss	(a) Debts are overdue for a period of more than 360 days; or (b) Debts which the repayment terms are restructured for the first-time but still overdue for a period from 91 days or more under that first restructured repayment term; or (c) Debts which the repayment terms are restructured for the second-time but still overdue under that second restructured repayment term; or (d) Debts which the repayment terms are restructured for the third-time or more; or (e) Debts are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts are required to be recovered under regulatory inspection, examination conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory, examination conclusions; or (g) Debts that need to be recovered under premature debt recovery decisions of credit institutions or foreign bank branches due to borrowers' breach of agreements, but are not yet recovered in more than 60 days from the effective dates of recovery decisions; or (h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are blocked; or (i) At the request of the State Bank based on the results of inspection, supervision and relevant credit information.	100%



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

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

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

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

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

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

When the Bank and its subsidiaries participates in a syndicated loan as a participant, it should classify loans (including syndicated loans) of the customer into the group of higher risk between the assessment of the leading bank and the Bank.

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

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

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

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

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

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

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

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

<i>Additional provision</i>	<i>Deadline</i>
At least 50% of the additional specific provision	By 31 December 2023
100% of the additional specific provision	By 31 December 2024

*Debt provisioning policy for margin activities and advance loans to customers of VPBank Securities Joint Stock Company ("VPBankS").*

Provision for margin activities and advances to customers of VPBankS is disclosed in *Note 4.14.2* in accordance with Circular No. 48/2019/TT-BTC ("*Circular 48*"), in order to review the specific nature of these receivables and ensure consistency with VPBankS's report. An increase or decrease in the provisioning account balance is recorded in the "*Provision for credit losses*" section of the consolidated statement of profit or loss.

##### 4.6 *Held-for-trading securities*

###### 4.6.1 *Classification and recognition*

Held-for-trading securities include debt securities and equity securities acquired and held for resale. Held-for-trading securities are initially recognized at cost.

###### 4.6.2 *Measurement*

Listed debt securities held for trading and equity securities are recognized at cost less provision for diminution in value of securities. Provision for diminution of trading securities is established when the carrying amount exceeds the market value. For corporate bonds that are listed, registered for transactions, the market price of bonds is the latest transaction price at the Stock Exchange within 10 days to the reporting date. If there is no transaction within 10 days to the reporting date, no provision is calculated. Provision for diminution in value is recognized in the consolidated statement of profit or loss as "*Gain/loss from sales of trading securities*"

For Government bonds, Government-guaranteed bonds and municipal bonds, the Bank does not make diminution provisions for these investments.

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

Interest derived from holding securities held for trading are recognized on a cash basis in the consolidated statement of profit or loss. Gains or losses from sales of held-for-trading securities are recognized in the consolidated statement of profit or loss.

###### 4.6.3 *De-recognition*

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

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

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

##### 4.7 Available-for-sale securities

###### 4.7.1 Classification

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

For equity securities, the Bank is neither the founding shareholder nor the strategic partner, nor has the ability to make certain influence in planning and making decision in the financial and operating policies of the investees under a written agreement to appoint personnel to the Board of Directors/Management.

###### 4.7.2 Measurement

###### Debt securities:

Available-for-sale debt securities are recognized at cost, including transaction cost and other direct cost. Debt securities are subsequently recognized at allocated cost (affected by the allocation of discount and premium value) minus provision for credit losses and provision for diminution in value. Premium and discount value from the purchase of debt securities is allocated to consolidated statement of profit or loss on a straight-line basis from the purchase date to the maturity date of debt securities.

Post acquisition interest income of available-for-sale debt securities and held-to-maturity securities are recognized in the consolidated statement of profit or loss on an accrual basis. The accrued interest before the Bank purchases debt securities will be deducted from the value of the accrued interest account when received.

The Bank makes the provision for diminution in value for listed debt securities (except for unlisted corporate bonds) as specified in *Note 4.6*. Provision for diminution in value is recognized in the consolidated statement of profit or loss in "*Net gain/(loss) from investment securities*".

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

For Government bonds, Government-guaranteed bonds and municipal bonds, the Bank does not make provision for diminution in value for these investments.

###### Equity securities:

Equity securities are recognized at cost minus provision for diminution in value.

For listed equity securities, the actual market price of securities is the closing price on the most recent transaction the time of preparing the annual financial statements. In case that the securities are listed on the market but there is no transaction within 30 days before the provision date, the provision level is determined for each securities investment as presented in *Note 4.10*.

For equity securities that are not listed on the stock market but registered for trading on Unlisted Public Company Market ("UPCoM"), market prices are determined as the average of the reference price in the last 30 consecutive trading days before the date of annual financial statements published by Stock Exchange. In case that there is no transaction within 30 days before the date of annual financial statements, the provision level is determined for each securities investment as presented in *Note 4.10*.



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

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

##### 4.7 *Available-for-sale securities* (continued)

###### 4.7.3 *De-recognition*

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

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

##### 4.8 *Held-to-maturity investment securities*

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

###### *Special bonds issued by VAMC:*

Special bonds issued by VAMC are term-valuable papers issued by VAMC to purchase bad debts of the Bank. Special bonds are initially recognized at cost at the purchase date and continuously presented at cost in subsequent periods. The par value of the special bond issued corresponds to the bad debt being sold and is the outstanding principal balance of the customer minus the specific provision amount that has been made but has not been used for that bad debt.

During the period of holding special bonds, periodically, the Bank calculates and makes annual specific risk provisions according to the instruction Circular No. 14/2015/TT-NHNN dated 28 August 2015 of the SBV amends and supplements a number of articles of Circular No. 19/2013/TT-NHNN regulating the purchase, sale and handling of bad debts of VAMC.

Specific provision for special bonds is recognized in the consolidated statement of profit or loss in the item "*Credit risk provision expenses*". This special bond does not require general provisioning.

On settlement date of special bonds, recovery from the debts is recognized into "Other operating income".

###### *Other held-to-maturity securities:*

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

Held-to-maturity securities are recorded and measured identical to debt securities available-for sale and presented at *Note 4.7*.

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

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

##### 4.9 *Repurchase and reverse repurchase contracts*

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

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

##### 4.10 *Long-term investments*

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

These investments are initially recorded at cost at the investment date and recognized subsequently at cost less provision for diminution in the value of long-term investments (if any). Dividends received from profit after tax of long-term investments are recognized on consolidated statement of profit or loss.

For listed securities or unlisted but registered for trading securities on unlisted public company market (UPCoM), provision for diminution in value is made when the actual market price is the average price within the last 30 transaction days before the end of the financial year announced by the Stock Exchange is lower than the carrying value of the securities at the end of the financial year.

In other cases, provision for diminution in the value of other long-term investments is made at the end of the accounting period when there is evidence indicating a decline in value compared to the investment value of the Bank. Accordingly, the level of provision for the investment is the difference between the actual investment capital of the owners in the invested entity and the actual equity capital of the invested entity at the time of making provision, multiplied (x) by the actual rate of charter capital (%) of the Bank in the invested entity.

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

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

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

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

##### 4.11 Fixed assets

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

The cost of a fixed asset comprises its purchase price plus any directly attributable costs of bringing the asset to working condition for its intended use.

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

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

##### 4.12 Depreciation and amortization

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

Buildings and structures	5 – 40 years
Machines and equipment	3 – 7 years
Transportation	6 – 10 years
Office equipment	3 – 5 years
Computer software	2 – 14 years
Other fixed assets	2 – 5 years

##### 4.13 Operating lease

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

##### 4.14 Receivables

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

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

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

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

##### 4.14 *Receivables* (continued)

###### 4.14.2 *Other receivables*

Receivables other than receivables classified as credit risk bearing assets are recognized at cost minus provision for credit losses.

Provision for other receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are not due for payment yet but the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or of individual debtors who are missing, escaped, prosecuted, on trial or deceased. Provision expense incurred is recorded in "Total operating expenses" of the consolidated statement of profit or loss.

Provision for overdue debts is made as follows:

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

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

###### *Prepaid expenses and expenses awaiting allocation*

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

###### *Statutory deposit of OPES Insurance Joint stock Company*

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



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

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

##### 4.16 *Technical reserves of insurance*

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

##### 4.16.1 *Unearned premium reserve for non-life insurance and health insurance with policy term not greater than one (01) year*

Unearned premium reserve is reserve for insurance premium corresponding to the Bank's exposure of risk after the reporting date. Unearned premium reserve is calculated according to the establishment method based on the coefficient of the insurance policy term and is calculated according to the daily pro-rata method in accordance with Circular 67.

Accordingly, unearned premium reserve for insurance and reinsurance contracts is calculated as below:

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

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

##### 4.16.2 *Claim reserve for non-life insurance*

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

- Outstanding claim at the end of the year but not yet resolved reserve is established for each assurance based on the estimated claim amount for each claim loss that has been reported but has not been settled by the end of the fiscal year, after deducting the recovery from retrocession; and
- Claim reserve for incurred but not reported (IBNR) losses is establish reserves a rate of 3% of the insurance premium for each insurance types.

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

##### 4.16.3 *Catastrophe reserve for non-life insurance*

Catastrophe reserve is made annually at 1% of the retained insurance premium for each insurance operation. Catastrophe reserve will be made until it reaches 100% retained insurance premium of the current fiscal year. Catastrophe reserve is a liability in the consolidated statement of financial position.



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

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

##### 4.16 Technical reserves of insurance (continued)

##### 4.16.4 Mathematical reserve for health insurance with policy term greater than one (01) year

For health insurance contracts with term of more than one (01) year (except for deployed health insurance contracts, which only cover death or total permanent disability), mathematical reserve is made using the daily method (on the basis of gross premium). In all cases, the Bank ensured that the mathematical reserve would not be lower than that made under 1/8<sup>th</sup> method.

For health insurance contracts with term of more than one (01) year and only cover death, total permanent disability, mathematical reserve is made using net premium method.

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

##### 4.16.5 Claim reserve for health insurance

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

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

Claims reserve for covered losses that have occurred but have not been reported or claimed of the current fiscal year	$= \frac{\text{Total indemnities for losses that have occurred but have not been reported or claimed of last three consecutive fiscal years}}{\text{Total indemnities of last three consecutive fiscal years}} \times \text{Indemnity of current fiscal year} \times \frac{\text{Net revenue earned from insurance business of current fiscal year}}{\text{Net revenue earned from insurance business of last fiscal year}} \times \frac{\text{Average deferred time of claims of current fiscal year}}{\text{Average deferred time of claims of last fiscal year}}$			
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Claim reserve of insurance and reinsurance business is a liability; claim reserve of ceding reinsurance is an asset in the consolidated statement of financial position.

##### 4.16.6 Equalization reserve for health insurance

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.17 Share capital

###### 4.17.1 Ordinary shares

Ordinary shares are classified as owners' equity.

###### 4.17.2 Share premium

Represent proceeds from share issuance from shareholders, the difference (increase or decrease) between the issuance price and the par value of the shares (including reissuance of treasury shares), as well as the directly attributable transaction costs from the share issuance or selling of treasury share.

###### 4.17.3 Treasury shares

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

###### 4.17.4 Statutory reserves

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

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

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

Financial reserve is used to cover financial losses incurred during the normal course of business. Financial reserve and charter capital supplementary reserve are non-distributable and classified as equity.

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

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

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

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

##### 4.17 *Share capital* (continued)

##### 4.17.4 *Statutory reserves* (continued)

###### ***Reserves of VPBank Asset Management Company Limited (“VPB AMC”)***

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

According to Circular No. 200/2014/TT-BTC, for the financial year starting on or after 01 January 2015, VPB AMC has stopped making provision for financial reserve.

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

According to Decree No. 93/2017/ND-CP dated 07 August 2017 issued by the Government of Vietnam which replaces Decree No. 57/2012/ND-CP dated 20 July 2012, the Company is required to make appropriation of profit to reserves in a similar way to the Bank.

###### ***Reserves of VPBank Securities Corporation***

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

###### ***Reserve of OPES Insurance Joint Stock Company***

Statutory reserve is made for purposes of supplementing charter capital and ensuring the Company's solvency. The statutory reserve is set at five percent (5%) of profit after tax, the maximum of reserve is ten percent (10%) OPES's charter capital according to Decree No. 46/2023/ND-CP dated 1 July 2023.

##### 4.18 *Recognition of income and expenses*

###### ***Income and expense from banking services***

Interest income and expenses are recognized in the consolidated statement of profit or loss on accrual basis using the nominal interest rate. The accrued interest of debts which are classified in group 2 to 5 in compliance with Circular 11 and debts classified in group 1 but specific allowance provided is not recognized in the consolidated statement of profit or loss. This accrued interest is reversed and monitored off-balance sheet and recognized in the consolidated statement of profit or loss actual receipt.

For the interest receivable from loans which were restructured, interest and/or fees were exempted or reduced and debt classifications were retained as Current (group 1) according to Circular 02, Circular 06 and Circular 53 from the restructuring date, instead of recording interest income (accrued interest), are exposed to off-balance sheet those interest income (accrued interest) to encourage re-payments, recorded back to interest income when collected in accordance with laws on financial regime of CIs and branches of foreign banks.

Fees and commissions are recognized on an accrual basis.

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



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

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

##### 4.18 *Recognition of income and expenses* (continued)

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

##### *Insurance income and expenses*

###### *Insurance premium income*

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

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

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

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

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

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

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

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

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

##### 4.18 *Recognition of income and expenses* (continued)

Insurance-agent-support expense and other insurance expense are direct expenses incurred of insurance policies and are allocated under unearned premium reserve method. The balance of these expenses as at the reporting date reflects expenses corresponding to the unearned insurance premium. For non-life insurance business, rewarding and agent-support expense could not exceed 50% commissions of insurance policies that have been exercised during the fiscal year. Especially for health insurance operation, expense related to rewarding and supporting agents could not exceed 100% commissions of insurance policies that have been exercised during the fiscal year in accordance with Circular No. 89/2020/TT-BTC dated 11 November 2020.

###### *Concession of reinsurance*

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

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

##### 4.19 *Debts trading operation*

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

###### *Purchase debts*

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

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

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

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

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

##### 4.19 *Debts trading operation* (continued)

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

##### *Sale of debts*

According to Circular 09 and Circular 18, the Bank implements financial settlements and accounting records the sale debts as follows:

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

If proceeds from selling a loan (except for those with provisions that have been used to write off bad debts) have not yet been fully collected, the Bank classifies that amount as an unsold loan as presented in *Note 4.5*.

Book value of debts purchased or sold includes the book value of the principal, interest and other related financial obligations (if any) of debts recorded in the consolidated statement of financial position or off-balance sheet at the date of debts purchased or sold; or the book value at the date of writing-off of debts; or the book value of debts written-off previously at the date of debts purchased or sold.

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



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

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

##### **4.20 Foreign currency transactions**

All transactions are recorded in original currencies. At reporting date, monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the consolidated statement of financial position date (*Note 50*). Income and expenses in foreign currencies are converted into VND at rates ruling at the transaction dates.

Foreign exchange differences arising from the translation of monetary assets and liabilities are recognized and followed in the "*Foreign exchange differences*" under "*Owners' equity*" in the consolidated statement of financial position and will be transferred to the consolidated statement of profit or loss at the end of the accounting period.

##### **4.21 Payables and accruals**

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

##### **4.22 Borrowings from the Government and the SBV**

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

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

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

At the time of initial recognition, bond issuance costs are recorded as a decrease in the principal balance of the bonds. The Bank allocates these costs to "*Interest and similar expenses*" on a straight-line basis in accordance with the maturity of the valuable papers.

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

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

##### 4.24 Corporate income taxes

###### *Current income tax*

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

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

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

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

###### *Deferred tax*

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

Deferred tax payable is recognized for all temporary taxable differences.

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

##### 4.25 Fiduciary assets

Assets held in a fiduciary capacity are not considered of the Bank.

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



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

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

##### 4.26 *Classification for off-balance sheet commitments*

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

##### 4.27 *Offsetting*

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

##### 4.28 *Derivatives*

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

###### *Currency forward contracts*

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

###### *Swap contracts*

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

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

###### *Government bond future contracts*

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

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

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

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

##### **4.29 Employee benefits**

###### *4.29.1 Post-employment benefits*

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

###### *4.29.2 Voluntary resignation benefits*

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

###### *4.29.3 Unemployment insurance*

According to Article 57 of the Law on Employment No. 38/2013/QH13 effective from 1 January 2015 and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government on guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance.

##### **4.30 Business combinations and goodwill**

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

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

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

**5. CASH, GOLD AND GEMSTONES**

	<i>31 December 2024</i> VND million	<i>31 December 2023</i> VND million
Cash on hand in VND	1,891,475	2,076,239
Cash on hand in foreign currencies	228,426	208,662
Gold on hand	28,388	89
	<u><b>2,148,289</b></u>	<u><b>2,284,990</b></u>

**6. BALANCES WITH THE STATE BANK OF VIETNAM**

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

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

The cash reserve ratio ("CRR") as at the end of the year are as below:

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

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

## 7. PLACEMENTS WITH AND CREDIT GRANTING TO OTHER CREDIT INSTITUTIONS

### 7.1 Placements with other credit institutions

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

### 7.2 Credit granting to other credit institutions

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

Interest rates of placements with and credit granting to other credit institutions as at the end of year are as follows:

	<i>31 December 2024</i> <i>% per annum</i>	<i>31 December 2023</i> <i>% per annum</i>
Term deposits in VND	3.80 - 6.05	1.00 - 4.50
Term deposits in foreign currencies	4.35 - 4.60	0.50 - 5.20
Credit granting in VND	4.50 - 7.40	1.70 - 9.30
Credit granting in foreign currencies	Not applicable	Not applicable

Analysis of outstanding term deposits with and credit granting other credit institutions by quality as at the end of the year are as follows:

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

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

## 8. SECURITIES HELD FOR TRADING

### 8.1 Securities held for trading

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

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

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

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



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

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

**8.1 Securities held for trading by listing status** (continued)

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

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

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

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
<b>Debt securities</b>		
Listed bond	713,869	581,548
Unlisted bond (Note 8.3)	7,623,416	8,749,317
Other unlisted valuable paper issued (Note 8.3)	3,202,820	1,565,554
<b>Equity securities</b>		
Listed shares	25,771	25,771
Unlisted shares	1,614,845	1,484,084
	<b>13,180,721</b>	<b>12,406,274</b>

**8.3 Securities held for trading by quality**

Analysis by quality of trading securities as credit risk bearing assets at the end of the year is as follows:

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

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

## 9. DERIVATIVES AND OTHER FINANCIAL LIABILITIES

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

## 10. LOANS TO CUSTOMERS

	<i>31 December 2024</i>		<i>31 December 2023</i>	
	<i>VND million</i>	<i>%</i>	<i>VND million</i>	<i>%</i>
Loans to domestic economic entities and individuals	613,425,129	88.55	507,160,706	89.56
Discounted bills and valuable papers	309,972	0.04	195,586	0.03
Payments on behalf of customers	153,474	0.02	146,281	0.03
Loans financed by borrowed and entrusted funds	14,430	0.00	36,757	0.01
Other credit granting to customers	69,460,197	10.02	51,564,355	9.10
Margin activities and advances to customers	9,512,536	1.37	7,167,605	1.27
	<b>692,875,738</b>	<b>100</b>	<b>566,271,290</b>	<b>100</b>

Interest rates of loans to customers at the end of the year are as follows:

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>% per annum</i>	<i>% per annum</i>
Loans in VND	3.00 – 15.00	3.00 - 14.10
Loans in foreign currency	4.60 – 7.60	4.30 - 8.50
Consumer loans in VND	37.80	41.59

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

**10. LOANS TO CUSTOMERS (continued)**

**10.1 Analysis of loan portfolio by quality**

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Current	610,932,843	491,716,829
Special mention	43,360,194	38,959,002
Substandard	10,852,509	12,074,224
Doubtful	12,098,440	11,990,997
Loss	6,119,216	4,362,633
Margin activities and advances to customers	9,512,536	7,167,605
	<b>692,875,738</b>	<b>566,271,290</b>

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

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



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

**10. LOANS TO CUSTOMERS** (continued)

**10.3 Analysis of loan portfolio by ownership and type of customers**

	31 December 2024		31 December 2023	
	VND million	%	VND million	%
State-owned companies	129,748	0.02	168,557	0.03
One-member limited liability companies with 100% State ownership	7,852	0.00	24,285	0.00
Two-or-more-member limited liability companies with over 50% State ownership or being controlled by the State	75,336	0.01	13,071	0.00
Other limited liability companies	181,323,403	26.17	119,502,110	21.10
Joint stock companies with over 50% State ownership or being controlled by the State	93,813	0.01	91,318	0.02
Other joint stock companies	187,081,564	27.00	146,002,988	25.78
Partnership companies	1,002	0.00	946	0.00
Private enterprises	51,021	0.01	55,690	0.01
Foreign invested enterprises	3,770,491	0.54	221,562	0.04
Co-operatives and unions of co-operative	60,237	0.01	57,718	0.01
Household business and individuals	310,765,730	44.86	292,960,355	51.74
Operation administration entity, the Party, unions and associations	3,003	0.00	4,963	0.00
Others	2	0.00	122	0.00
Margin activities and advances to customers	9,512,536	1.37	7,167,605	1.27
	<b>692,875,738</b>	<b>100</b>	<b>566,271,290</b>	<b>100</b>

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

**10. LOANS TO CUSTOMERS** (continued)

**10.4 Analysis of loan portfolio by sectors**

	31 December 2024		31 December 2023	
	VND million	%	VND million	%
Agricultural, forestry and aquaculture	2,054,559	0.30	3,041,136	0.54
Mining	1,519,641	0.22	1,502,568	0.27
Processing, manufacturing	30,747,223	4.44	26,526,255	4.68
Electricity, petroleum and steam	861,118	0.12	1,408,650	0.25
Water supply and waste treatment	146,670	0.02	692,813	0.12
Construction	38,725,127	5.59	28,271,295	4.99
Wholesale and retail trade, repair of motor vehicles, motorcycles and personal goods	70,911,252	10.23	53,438,420	9.44
Transportation and logistics	12,164,350	1.76	9,817,781	1.73
Hospitality and restaurants	18,952,714	2.74	13,296,812	2.35
Information and media	1,042,484	0.15	911,727	0.16
Finance, banking and insurance services	17,985,239	2.60	21,236,503	3.75
Real estates	186,736,821	26.95	114,894,070	20.29
Scientific research and technology	3,320,412	0.48	1,634,569	0.29
Administrative activities and support services	2,937,827	0.42	1,495,928	0.26
Activities of the Communist Party, political - social organizations, state management, security and defense	10,696	0.00	4,870	0.00
Education and vocational training	1,072,488	0.15	2,645,282	0.47
Healthcare and community development	591,474	0.09	1,219,198	0.22
Recreational, cultural, sporting activities	3,546,017	0.51	3,891,018	0.69
Other services	2,274,013	0.33	2,012,512	0.36
Household services, production of material products and services used by households	193,909,402	27.98	185,376,652	32.72
Loans to individual customers for accommodation purpose and obtain land use rights	93,853,675	13.55	85,785,626	15.15
Margin activities and advances to customers	9,512,536	1.37	7,167,605	1.27
	<b>692,875,738</b>	<b>100</b>	<b>566,271,290</b>	<b>100</b>

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

11. PROVISION FOR CREDIT LOSSES OF LOANS TO CUSTOMERS

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

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

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

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

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

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

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

## 12. DEBT PURCHASE

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

Details of outstanding principal and interest of debt purchase are as follows:

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

Analysis by quality of debt purchase at the reporting date is as follows:

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

Changes in provision for debt purchase for the year are as follows:

	2024 VND million	2023 VND million
Opening balance	6,210	6,750
Provision reversed in the year (Note 36)	(166)	(540)
<b>Closing balance</b>	<b>6,044</b>	<b>6,210</b>

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

### 13. INVESTMENT SECURITIES

#### 13.1 Available-for-sale securities

	31 December 2024 VND million	31 December 2023 VND million
<b>Debt securities</b>	<b>51,842,071</b>	<b>88,035,100</b>
Government and municipal securities	33,571,973	37,771,313
Debt securities issued by other domestic credit institutions	10,303,355	26,658,071
<i>In which: Bonds guaranteed by the Government</i>	1,216,699	359,442
Debt securities issued by domestic economic entities	7,966,743	23,605,716
<b>Equity securities</b>	<b>15,357</b>	<b>15,357</b>
Equity securities issued by domestic economic entities	15,357	15,357
	<b>51,857,428</b>	<b>88,050,457</b>
<b>Provision for available-for-sale securities</b>	<b>(67,301)</b>	<b>(210,216)</b>
General provision	(59,751)	(177,043)
Specific provision	-	(27,932)
Diminution provision	(7,550)	(5,241)
	<b>51,790,127</b>	<b>87,840,241</b>

The total face value of securities pledged and mortgaged at other CIs and the established limit at the SBV as at 31 December 2024 is VND2,576,000 million (as at 31 December 2023: VND3,345,000 million).

As at 31 December 2024, the total face value of securities sold and committed to be repurchased is VND2,000,000 million (as at 31 December 2023: VND5,000,000 million).

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

	31 December 2024 VND million	31 December 2023 VND million
Listed bonds	34,788,672	38,130,755
Unlisted bonds (Note 13.5)	11,498,662	36,426,537
Unlisted valuable papers issued (Note 13.5)	5,554,737	13,477,808
Listed equity securities	15,357	15,357
	<b>51,857,428</b>	<b>88,050,457</b>

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

### 13. INVESTMENT SECURITIES (continued)

#### 13.2 Held-to-maturity investment securities

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

At the reporting date, the Bank and its subsidiaries do not have mortgage or pledge bonds (31 December 2023: VND 0).

Analysis of held-to-maturity securities by listing status as at year end is as follows:

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

#### 13.3 Provision for available-for-sale investment securities

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

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



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

**13. INVESTMENT SECURITIES** (continued)

**13.3 Provision for available-for-sale investment securities** (continued)

Movements of provision for available-for-sale securities to in the year ended 31 December 2023 are as follows:

	<i>General provision VND million</i>	<i>Specific provision VND million</i>	<i>Diminution provision VND million</i>	<i>Total VND million</i>
Opening balance	246,689	-	5,911	252,600
Provision (reversed)/charged in the year (Note 32)	(69,646)	27,932	(670)	(42,384)
<b>Closing balance</b>	<b>177,043</b>	<b>27,932</b>	<b>5,241</b>	<b>210,216</b>

**13.4 Provision for held-to-maturity investment securities**

Movements of provision for held-to-maturity securities during the year ended 31 December 2024 are as follows:

	<i>General provision VND million</i>	<i>Specific provision VND million</i>	<i>Diminution provision VND million</i>	<i>Total VND million</i>
Opening balance	8,025	-	-	8,025
Provision reversed in the year (Note 32)	(8,025)	-	-	(8,025)
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Movement of provision for held-to-maturity securities during the year ended 31 December 2023 are as follows:

	<i>General provision VND million</i>	<i>Specific provision VND million</i>	<i>Diminution provision VND million</i>	<i>Total VND million</i>
Opening balance	-	-	-	-
Reversed in the year (Note 32)	8,025	-	-	8,025
<b>Closing balance</b>	<b>8,025</b>	<b>-</b>	<b>-</b>	<b>8,025</b>

**13.5 Analysis of available-for-sale investment securities by quality**

Analysis by quality of available-for-sale securities classified as credit risk bearing assets at the end of the year is as follows:

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
Current	14,997,399	37,827,345
Special mention	1,300,000	8,696,500
Substandard	36,000	1,880,500
Doubtful	720,000	1,000,000
Loss	-	500,000
	<b>17,053,399</b>	<b>49,904,345</b>

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

**13. INVESTMENT SECURITIES** (continued)

**13.6 Analysis of held-to-maturity investment securities by quality**

Analysis by quality of non-listed held-to-maturity securities are classified as credit risk bearing assets at the end of the year is as follows:

	<u>31 December 2024</u> VND million	<u>31 December 2023</u> VND million
Current	-	1,350,033
	<u>-</u>	<u>1,350,033</u>

**14. LONG-TERM INVESTMENTS**

**14.1 Other long-term investments**

	<u>31 December 2024</u>		<u>31 December 2023</u>	
	Cost		Cost	
	VND million	% owned	VND million	% owned
<b>Investments in economic entities</b>				
Vietnam Credit Information Join Stock Company ("PBC")	3,934	3.28	3,934	3.28
Sai Gon Port Joint Stock Company	185,276	7.44	185,276	7.44
	<u>189,210</u>		<u>189,210</u>	



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

## 15. FIXED ASSETS

### 15.1 Tangible fixed assets

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

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

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

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

## 15. FIXED ASSETS (continued)

### 15.2 Intangible fixed assets

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

	<i>Land use rights</i> VND million	<i>Computer software</i> VND million	<i>Total</i> VND million
<b>Cost</b>			
Opening balance	65,127	1,843,421	1,908,548
Purchases in the year	-	28,685	28,685
Other increase	-	148,958	148,958
<b>Closing balance</b>	<b>65,127</b>	<b>2,021,064</b>	<b>2,086,191</b>
<b>Accumulated amortization</b>			
Opening balance	868	1,281,978	1,282,846
Charge for the year	-	216,528	216,528
<b>Closing balance</b>	<b>868</b>	<b>1,498,506</b>	<b>1,499,374</b>
<b>Net book value</b>			
Opening balance	64,259	561,443	625,702
<b>Closing balance</b>	<b>64,259</b>	<b>522,558</b>	<b>586,817</b>

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

## 16. OTHER ASSETS

### 16.1 Receivables

	<i>31 December 2024</i> VND million	<i>31 December 2023</i> VND million
Internal receivables	281,942	218,912
External receivables	11,039,290	33,611,235
- <i>Receivables related to usance letters of credit (*)</i>	4,895,385	28,000,136
- <i>Negotiation under letters of credit without recourse issued by the Bank</i>	162,855	-
- <i>Deposit receivables and receivables for Government bond futures contracts</i>	21,168	3,503
- <i>Deposits for economic contracts</i>	1,365,794	1,404,973
- <i>Receivables from sale of financial assets</i>	84,077	84,567
- <i>Receivable from settlement operation</i>	1,414,058	1,928,290
- <i>Advances to suppliers</i>	363,998	393,098
- <i>Provision for fees and compensation for the reinsurance operation</i>	518,012	384,160
- <i>Other external receivables</i>	2,213,943	1,412,508
Purchase of fixed assets	85,071	134,526
Construction in progress	5,017	4,768
	<b>11,411,320</b>	<b>33,969,441</b>

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

**16. OTHER ASSETS (continued)**

**16.1 Receivables (continued)**

(\*) This is the balance of other contracts, agreements, commitments and other transactions related to deferred L/C operations signed and agreed upon before the effective date of Circular 21.

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

	31 December 2024 VND million	31 December 2023 VND million
Current	4,891,526	-
Special mention	3,859	-
Substandard	-	29,147
Doubtful	-	28,567
Loss	84,077	26,853
	<b>4,979,462</b>	<b>84,567</b>

**16.2 Accrued interest and fee receivables**

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

**16.3 Other assets**

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

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

**16. OTHER ASSETS (continued)**

**16.4 Provision for other assets**

Provision for other assets include provision for impairment of other receivables and credit risk bearing assets. Changes of provision for other assets in the year are as follows:

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

Details of provision for other assets are as follows:

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

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

**17. GOODWILL**

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

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

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

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

As at 31 December 2024, borrowings from the SBV with terms of 12 months and bearing interest rate from 3.30% per annum (31 December 2023: borrowings from the SBV with terms of 3 months to 12 months and bearing interest rate from 3.30% to 6.33% per annum).

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

**19.1 Deposits from financial institutions and other credit institutions**

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



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

**19. DEPOSITS AND BORROWINGS FROM FINANCIAL INSTITUTIONS AND OTHER CREDIT INSTITUTIONS (continued)**

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

	31 December 2024 VND million	31 December 2023 VND million
<b>Payables arising from usance letters of credit</b>	<b>16,219,307</b>	<b>25,371,494</b>
<b>Borrowings from financial institutions and other credit institutions</b>	<b>73,673,905</b>	<b>47,750,401</b>
In VND	13,650,923	4,304,954
In which: Pledge, mortgage loan	3,741,200	1,394,205
Discount, rediscount	1,920,560	-
In foreign currencies	60,022,982	43,445,447
In which: Borrowings from International Financial Company ("IFC")	2,723,298	4,746,837
	<b>89,893,212</b>	<b>73,121,895</b>

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

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

Interest rates of deposits and borrowings from financial institutions and other credit institutions at the end of the year are as follows:

	31 December 2024 % per annum	31 December 2023 % per annum
Term deposits from financial institutions and other credit institutions in VND	3.70 - 7.50	1.00 - 4.50
Term deposits from other credit institutions in foreign currencies	4.33 - 4.50	5.10 - 5.20
Borrowings from financial institutions and other credit institutions in VND	2.97 - 7.50	1.40 - 9.58
Borrowings from other financial institutions and credit institutions in foreign currencies	4.09 - 7.20	0.75 - 8.61

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

## 20. CUSTOMER DEPOSITS

	31 December 2024 VND million	31 December 2023 VND million
<b>Demand deposits</b>	<b>66,607,350</b>	<b>75,333,245</b>
- In VND	64,688,301	73,081,876
- In foreign currencies	1,919,049	2,251,369
<b>Term deposits</b>	<b>416,946,018</b>	<b>365,220,955</b>
- In VND	415,416,986	364,344,580
- In foreign currencies	1,529,032	876,375
<b>Deposits for specific purposes</b>	<b>96,550</b>	<b>83,763</b>
- In VND	55,041	55,778
- In foreign currencies	41,509	27,985
<b>Margin deposits</b>	<b>2,016,630</b>	<b>1,730,418</b>
- In VND	1,879,695	1,666,917
- In foreign currencies	136,935	63,501
	<b>485,666,548</b>	<b>442,368,381</b>

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

	31 December 2024 VND million	%	31 December 2023 VND million	%
State-owned companies	804,266	0.17	631,891	0.14
One-member limited liability companies with 100% State ownership	1,075,326	0.22	1,799,529	0.41
Two-or-more-member limited liability companies with over 50% State ownership or controlled by the State	205,354	0.04	69,581	0.02
Other limited liability companies	35,493,332	7.31	38,222,990	8.64
Joint stock companies with over 50% State ownership or controlled by the State	2,317,118	0.48	2,088,042	0.47
Other joint-stock companies	133,468,473	27.48	103,374,399	23.37
Partnership companies	4,275	0.00	3,021	0.00
Private enterprises	52,397	0.01	42,028	0.01
Foreign invested enterprises	4,715,378	0.97	327,345	0.07
Co-operatives and unions of co-operative	80,402	0.02	57,201	0.01
Household business and individuals	303,140,002	62.42	292,614,183	66.15
Operation administration entity, the Party, unions and associations	3,934,831	0.81	2,405,140	0.54
Others	375,394	0.07	733,031	0.17
	<b>485,666,548</b>	<b>100</b>	<b>442,368,381</b>	<b>100</b>

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

**20. CUSTOMER DEPOSITS** (continued)

The customer's deposit interest rate at the end of the year is as follows:

	<i>31 December 2024</i> <i>% per annum</i>	<i>31 December 2023</i> <i>% per annum</i>
Demand deposit in VND	0.00 – 0.50	0.20
Demand deposit in foreign currency	0.00	0.00
Term deposit in VND	0.20 – 11.21	0.20 – 12.65
Term deposit in foreign currency	0.00 – 0.70	0.00 – 0.70

**21. OTHER BORROWED AND ENTRUSTED FUNDS**

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

Funds received from grants, investment trusts, loans to credit institutions at risk with a term from 7 years to 10 years and an interest rate of 3.108% per annum (31 December 2023: from 4 years to 10 years earn interest rate of 3.135% per annum).

**22. VALUABLE PAPERS ISSUED**

Valuable papers issued by original term are as follows:

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

Valuable papers include certificates of deposit and bonds, with interest rates ranging from 3.60% to 12.55% per annum (31 December 2023: 3.90% to 12.65% per annum)

Types of valuable papers issued are as follows:

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



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

## 23. OTHER LIABILITIES

### 23.1 Interest and fees payables

	31 December 2024 VND million	31 December 2023 VND million
Interest payables for customer term deposits	6,205,570	8,091,846
Interest payables for customer saving deposits	844,537	1,065,174
Interest payables for valuable papers issued	1,396,504	2,450,263
Interest payables for borrowings from financial institutions and other credit institutions	1,009,098	945,586
Interest payables for other borrowed and entrusted funds	7	21
Interest payables for other credit granting activities	1,180	-
Interest payables for derivative financial instruments	950,357	1,253,292
Fee payables	7,755	6,103
	<b>10,415,008</b>	<b>13,812,285</b>

### 23.2 Other liabilities

	31 December 2024 VND million	31 December 2023 VND million
<b>Internal payables</b>	<b>301,509</b>	<b>98,556</b>
Payables to employees	301,509	98,556
<b>External payables</b>	<b>11,386,004</b>	<b>13,142,152</b>
Advances from customers	1,577,524	1,315,509
Unearned income	590,492	400,613
Technical reserves of insurance operation	1,457,317	1,016,439
Transfer payment awaiting settlement	458,403	291,057
Taxes payable to the State Budget (Note 24)	2,576,458	2,302,966
Payables in settlement operation	1,685,244	4,222,815
Payables to suppliers	34,364	44,371
Payables to lending customers of VPBank Securities JSC	1,650	1,396,750
Consigned funds pending for payment	1,391,935	664,150
Other liabilities	1,612,617	1,487,482
	<b>11,687,513</b>	<b>13,240,708</b>

## 24. TAXES AND OTHER OBLIGATIONS TO THE STATE BUDGET

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

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

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

### 24.1 Current corporate income tax

The Bank has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits according to Circular No. 78/2014/TT-BTC which became effective from 02 August 2014.

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

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

Provision for current income tax expense is estimated as follows:

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

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

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

**24.2 Deferred income tax**

The Bank's deferred tax assets details are as follows:

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

The Bank's deferred tax liabilities details are as follows:

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Deferred tax liabilities arising from taxable temporary differences	26,517	74,154
Reversal of deferred income tax liabilities recognized from the previous year	-	(8,844)
<b>Deferred corporate income tax liabilities</b>	<b>26,517</b>	<b>65,310</b>

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

## 25. OWNERS' EQUITY AND RESERVES

### 25.1 Statement of changes in equity

Statement of changes in equity of the Bank in 2024 as following:

	<i>Charter capital VND million</i>	<i>Share premium VND million</i>	<i>Capital supplementary reserve VND million</i>	<i>Financial reserve VND million</i>	<i>Investment and development fund VND million</i>	<i>Treasury share VND million</i>	<i>Retained earning VND million</i>	<i>Non-controlling interest VND million</i>	<i>Total VND million</i>
<b>As at 31 December 2023</b>	<b>79,339,236</b>	<b>23,992,546</b>	<b>2,351,225</b>	<b>9,813,299</b>	<b>68,758</b>	-	<b>19,065,969</b>	<b>5,164,494</b>	<b>139,795,527</b>
Net profit/(loss) for the year	-	-	-	-	-	-	15,778,795	208,031	15,986,826
Appropriation to reserves	-	-	1,461,250	1,442,341	-	-	(2,903,591)	-	-
Use of reserves for the year	-	-	-	(571,259)	-	-	-	-	(571,259)
Dividends to shareholders in 2023	-	-	-	-	-	-	(7,935,832)	-	(7,935,832)
Other decrease	-	-	-	-	-	-	2,238	(2,238)	-
<b>As at 31 December 2024</b>	<b>79,339,236</b>	<b>23,992,546</b>	<b>3,812,475</b>	<b>10,684,381</b>	<b>68,758</b>	-	<b>24,007,579</b>	<b>5,370,287</b>	<b>147,275,262</b>

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

## 25. OWNERS' EQUITY AND RESERVES (continued)

### 25.1 Statement of changes in equity (continued)

Statement of changes in equity of the Bank in 2023 as following:

	Charter capital VND million	Share premium VND million	Capital supplementary reserve VND million	Financial reserve VND million	Investment and development fund VND million	Treasury share VND million	Retained earning VND million	Non-controlling interest VND million	Total VND million
<b>As at 31 December 2022</b>	<b>67,434,236</b>	-	<b>1,806,421</b>	<b>9,029,594</b>	<b>2,699,069</b>	<b>(883,466)</b>	<b>16,751,804</b>	<b>6,664,262</b>	<b>103,501,920</b>
Net profit/(loss) for the year	-	-	-	-	-	-	9,973,939	(1,479,768)	8,494,171
Issuing shares for increasing capital	11,905,000	23,992,546	-	-	-	-	-	-	35,897,546
Appropriation to reserves	-	-	544,804	1,076,595	-	-	(1,621,399)	-	-
Use of reserves for the year	-	-	-	(292,890)	-	-	-	-	(292,890)
Transfer from Investment and development fund to Retained earning	-	-	-	-	(2,049,041)	-	2,049,041	-	-
Transfer from Investment and development fund to Share premium	-	581,270	-	-	(581,270)	-	-	-	-
Issuing shares under ESOP from treasury shares	-	(581,270)	-	-	-	883,466	-	-	302,196
Dividends to shareholders in 2022	-	-	-	-	-	-	(7,933,924)	-	(7,933,924)
Other decrease	-	-	-	-	-	-	(153,492)	(20,000)	(173,492)
<b>As at 31 December 2023</b>	<b>79,339,236</b>	<b>23,992,546</b>	<b>2,351,225</b>	<b>9,813,299</b>	<b>68,758</b>	-	<b>19,065,969</b>	<b>5,164,494</b>	<b>139,795,527</b>



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

## 25. OWNERS' EQUITY AND RESERVES (continued)

### 25.2 Equity

	31 December 2024		31 December 2023	
	Number Shares	Par value VND million	Number Shares	Par value VND million
Number of registered shares	7,933,923,601	79,339,236	7,933,923,601	79,339,236
Number of shares issued	7,933,923,601	79,339,236	7,933,923,601	79,339,236
- Ordinary shares	7,933,923,601	79,339,236	7,933,923,601	79,339,236
Number of shares in circulation	7,933,923,601	79,339,236	7,933,923,601	79,339,236
- Ordinary shares	7,933,923,601	79,339,236	7,933,923,601	79,339,236

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

## 26. BASIC EARNINGS PER SHARE

	2024	2023
Net profit attributable to ordinary shareholders (VND million)	15,778,795	9,973,939
Weighted average number of ordinary shares (Share)	7,933,923,601	6,958,838,203
<b>Basic earnings per share (VND/share)</b>	<b>1,989</b>	<b>1,433</b>

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

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

## 27. INTEREST AND SIMILAR INCOME

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

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

## 28. INTEREST AND SIMILAR EXPENSES

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

## 29. NET FEE AND COMMISSION INCOME

	2024 VND million	2023 VND million
<b>Fee and commission income</b>	<b>13,201,660</b>	<b>12,307,787</b>
Settlement and treasury services	4,406,127	5,407,935
Advisory activities	139,026	93,493
Income from business and insurance services	4,150,911	2,937,498
Card activities	2,446,882	2,225,875
Other income	2,058,714	1,642,986
<b>Fee and commission expenses</b>	<b>(7,075,337)</b>	<b>(5,095,905)</b>
Settlement services and treasury services	(2,135,183)	(1,735,699)
Advisory activities	(73)	(4,164)
Insurance services	(1,035,286)	(279,617)
Brokerage fees	(447,900)	(253,324)
Card activities	(1,259,668)	(987,584)
Other expenses	(2,197,227)	(1,835,517)
<b>Net fee and commission income</b>	<b>6,126,323</b>	<b>7,211,882</b>

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

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

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

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

	2024 VND million	2023 VND million
Income from trading of securities held for trading	680,929	535,368
Expenses for trading of securities held for trading	(330,688)	(131,922)
Provision charged for securities held for trading (Note 8.1)	10,715	(23,273)
	<b>360,956</b>	<b>380,173</b>

### 32. NET GAIN FROM INVESTMENT SECURITIES

	2024 VND million	2023 VND million
Income from trading of investment securities	415,080	328,218
Expenses for trading of investment securities	(96,353)	(112,545)
Provision reversed for available-for-sale investment securities (Note 13.3)	142,915	42,384
Provision reversed for held-to-maturity securities (Note 13.4)	8,025	(8,025)
	<b>469,667</b>	<b>250,032</b>

### 33. NET GAIN FROM OTHER OPERATING ACTIVITIES

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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### 34. INCOME FROM INVESTMENTS IN OTHER ENTITIES

	2024 VND million	2023 VND million
Dividend income from capital contribution, share purchases	12,801	3,147
	<b>12,801</b>	<b>3,147</b>

### 35. OPERATING EXPENSES

	2024 VND million	2023 VND million
<b>Tax, duties and fees</b>	<b>8,028</b>	<b>12,787</b>
<b>Personnel expenses</b>	<b>8,395,563</b>	<b>8,609,213</b>
<i>In which:</i>		
Salary and allowances	7,616,117	7,837,017
Expenses related to salary	407,931	395,816
Subsidy	159,547	162,156
Other allowances	211,968	214,224
<b>Fixed asset expenses</b>	<b>1,957,629</b>	<b>1,689,084</b>
<i>In which:</i>		
Depreciation and amortization of fixed assets	511,641	437,800
Operating leases	924,119	812,756
<b>Administrative expenses</b>	<b>1,325,488</b>	<b>1,262,910</b>
<i>In which:</i>		
Expenses on per diem	35,153	34,862
Expenses on Union activities	486	220
<b>Other provision expenses</b>	<b>37,297</b>	<b>25,718</b>
Provision made for doubtful debts (Note 16.4)	37,297	25,718
<b>Insurance fee for customer deposits</b>	<b>431,141</b>	<b>301,649</b>
<b>IT expenses</b>	<b>928,944</b>	<b>591,272</b>
<b>Non-deductible input VAT</b>	<b>134,629</b>	<b>126,552</b>
<b>Other operating expenses</b>	<b>1,121,013</b>	<b>1,322,033</b>
	<b>14,339,732</b>	<b>13,941,218</b>

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

### 36. PROVISION EXPENSE FOR CREDIT LOSSES

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

### 37. CASH AND CASH EQUIVALENTS

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

	31 December 2024 <i>VND million</i>	31 December 2023 <i>VND million</i>
Cash, gold and gemstone	2,148,289	2,284,990
Balances with the SBV	14,327,215	8,422,511
Demand accounts at other credit institutions	11,216,445	9,627,143
Placements with other credit institutions with original term of three months or less	115,310,835	71,671,930
Securities with maturity date not exceeding 3 months from purchasing date	-	1,660,896
	<b>143,002,784</b>	<b>93,667,470</b>

### 38. EMPLOYEES' REMUNERATIONS

	2024	2023
<b>I. Total average number of employees (persons) (Only official employees)</b>	<b>26,199</b>	<b>27,042</b>
<b>II. Employees' remuneration (VND million)</b>		
1. Total salary fund	7,416,358	7,615,260
2. Other remuneration	979,205	993,953
3. Total remuneration (1+2)	8,395,563	8,609,213
4. Average monthly salary	23.59	23.47
5. Average monthly remuneration	26.70	26.53

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

### 39. COLLATERAL AND MORTGAGES

#### 39.1 *Assets, valuable papers received for mortgage, pledge and discount, rediscount*

Details of customers' collateral and mortgages at the Bank as at year end are as follows:

	<i>Book value</i>	
	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Real estates	632,241,476	616,667,767
Mobile assets	93,763,257	82,757,721
Valuable papers	46,213,845	79,409,408
Others	1,136,124,694	872,798,273
	<b>1,908,343,272</b>	<b>1,651,633,169</b>

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

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

#### 39.2 *Assets, valuable papers for mortgage, pledge and discount, rediscount*

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

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Valuable papers pledged or mortgaged ( <i>Note 8.1 and 13.1</i> )	5,686,000	4,895,000
Valuable papers sold under agreements to repurchase ( <i>Note 13.1</i> )	2,000,000	5,000,000
Other assets for mortgage, pledge and discount, rediscount	5,958,923	10,639,910
	<b>13,644,923</b>	<b>20,534,910</b>

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

#### 40. CONTINGENT LIABILITIES AND COMMITMENTS

Detail of contingent liabilities and commitments as at 31 December 2024 are as follows:

	31 December 2024 VND million	31 December 2023 VND million
<b>Loan guarantees</b>	<b>848,721</b>	<b>1,754,978</b>
<b>Foreign exchange commitments</b>	<b>300,000,752</b>	<b>296,858,798</b>
Foreign exchange commitments - buy	2,972,620	264,965
Foreign exchange commitments - sell	1,955,905	992,663
Swap transaction commitments - receive	147,811,792	147,839,284
Swap transaction commitments - pay	147,260,435	147,761,886
<b>Letters of credit</b>	<b>16,461,049</b>	<b>38,680,116</b>
L/C Commitment	16,518,381	38,826,301
Minus: Margin deposits	(57,332)	(146,185)
<b>Other guarantees</b>	<b>26,008,227</b>	<b>19,546,205</b>
Payment guarantees	6,945,197	6,796,559
Contract performance guarantees	9,331,348	4,410,630
Tender guarantees	470,492	371,974
Other guarantees	9,932,865	8,370,870
Minus: Margin deposits	(671,675)	(403,828)
<b>Other commitments</b>	<b>347,434,640</b>	<b>285,115,836</b>
Cross-currency interest rate swap commitment – receive	35,324,065	26,662,517
Cross-currency interest rate swap commitment – pay	36,760,922	27,153,623
Swap interest rates in one currency commitment	39,136,588	21,973,473
Buying and selling valuable papers commitment	6,558,266	3,366,684
Other commitments	229,654,799	205,959,539
- In which: Unused revocable credit limits	229,511,446	205,810,854
<b>Contingent liabilities and commitments</b>	<b>690,753,389</b>	<b>641,955,933</b>

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

#### 41. OTHER OFF-BALANCE-SHEET ITEMS

##### 41.1 *Uncollected interests and fee receivables*

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Uncollected loan interest	7,163,528	7,854,292
Uncollected security interest	122,176	40,252
Uncollected fee receivables	382,479	317,263
	<b>7,668,183</b>	<b>8,211,807</b>

##### 41.2 *Bad debts written off*

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Principal of bad debts written off under monitoring	44,140,435	27,104,854
Interest of bad debts written off under monitoring	38,046,965	23,995,273
	<b>82,187,400</b>	<b>51,100,127</b>

##### 41.3 *Other assets and documents*

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

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

#### 42. OPERATING LEASE COMMITMENT

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Commitments under irrecoverable operating leases	157,193	437,149
In which:		
- Due within 01 year	92,728	131,923
- Due from 01 – 05 years	64,465	302,887
- Due after 05 years	-	2,339
	<b>157,193</b>	<b>437,149</b>



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

#### 43. RELATED PARTY TRANSACTIONS

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

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

Related parties	Transactions	Amount	
		2024 VND million	2023 VND million
Sumitomo Mitsui Banking Corporation – Major shareholder (*)	Interest expenses on loans from SMBC	(753,180)	(145,607)
	Interest income from deposits at SMBC	19,233	3,657
	Income from derivative contracts with SMBC	1,446,986	226,184
	Expense from derivative contracts with SMBC	(1,305,968)	(239,022)
	Other expenses	(197,932)	(26,360)
	Income from other service fees	2,925	-
Saigon Port Joint Stock Company - Long-term investments which the Bank holds less than or equal to 11% of voting rights	Term deposit received from the Company	-	16,000
	Interest payable – deposits	(276)	(379)
	Interest expense from deposit	(788)	(905)
Vinh Trade Centre Investment JSC (Vicentra) (**)	Interest expense from deposit	-	(1,369)
	Income from guaranteed activities	-	73
	Income from credit activities	-	547
	Income from service activities	1	1
EFFEXI MTV Company Limited (**)	Interest expense from deposit	(3)	-
	Income from service activities	9	-
ROSTRA MTV Company Limited (**)	Interest expense from deposit	(11)	-
	Income from service activities	13	-
Diera Corp Joint Stock Company (**)	Interest expense	(14)	(2)
	Income from service activities	10	-
Pink Film Studio Company Limited (**)	Interest expense from deposits	(1)	(3)
	Expense from service activities	(1)	-
	Income from service activities	4	1
Members of the Board of Directors, Board of Supervision and Board of Management	Term deposits received	1,649,915	354,068
	Demand deposit withdraw	(1,751,165)	(359,402)
	Interest expenses from deposit	(6,977)	(23,309)
	Income from credit cards	107	70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended**43. RELATED PARTY TRANSACTIONS** (continued)

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

<i>Related parties</i>	<i>Description</i>	<i>Receivables/(Payables)</i>	
		<i>31 December 2024</i>	<i>31 December 2023</i>
		<i>VND million</i>	<i>VND million</i>
Sumitomo Mitsui Banking Corporation – Major shareholder (*)	Accrued loan interest payables	(93,761)	(53,140)
	Accrued interest payables from derivative contracts	(234,296)	(241,710)
	Accrued interest receivable from derivative contracts	216,238	368,650
	Prepaid expense	169,843	148,867
	Deposits from SMBC	(408)	(597)
	Deposits at SMBC	173,687	175,091
	Borrowings from SMBC	(7,405,187)	(11,894,724)
Saigon Port Joint Stock Company - Long-term investments which the Bank holds less than or equal to 11% of voting rights	Demand deposits from the Company	(1,225)	(449)
	Term deposits from the Company	(16,000)	(16,000)
	Accrued interest payable on deposits from the Company	(276)	(379)
Vinh Trade Centre Investment JSC (Vicentra) (**)	Demand deposits from the Company	(741)	(147)
EFFEXI MTV Company Limited (**)	Demand deposits from the Company	(227)	-
ROSTRA MTV Company Limited (**)	Demand deposits from the Company	(6,248)	-
Diera Corp Joint Stock Company (**)	Demand deposits from the Company	(2,623)	(62)
Pink Film Studio Company Limited (**)	Demand deposits from the Company	(101)	(1,485)

Receivables and payables with Members of the Board of Directors, Board of Supervision and Board of Management as at 31 December 2024 and 31 December 2023 are as follows:

<i>Related parties</i>	<i>Descriptions</i>	<i>Receivables/(Payables)</i>	
		<i>31 December 2024</i>	<i>31 December 2023</i>
		<i>VND million</i>	<i>VND million</i>
Members of the Board of Directors, Board of Supervision and Board of Management	Term deposits	(64,710)	(165,889)
	Demand deposits	(28,716)	(29,018)
	Accrued deposit interest payables	(301)	(455)
	Credit card balance	1,006	1,040

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

#### 43. RELATED PARTY TRANSACTIONS (continued)

The detailed value of derivative contracts and foreign currency purchases with SMBC – Major shareholder as at 31 December 2024 and 31 December 2023 is as follows:

<i>Related parties</i>	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
SMBC – Major shareholder (*)	29,284,052	28,541,180

(\*) The value/balance with SMBC and its branches as at 31 December 2023 presented are data from 20 October 2023 and as at 31 December 2023 after SMBC became a major shareholder owning 15.005% of charter capital of Bank.

(\*\*) Related companies have members of the Board of Directors or Board of Members or the Management or Board of Supervision who are members or related persons of members on the Board of Directors or the Management or Board of Supervision of the Bank.

#### ***Remuneration of Members of Board of Directors, Board of Supervision and Chief Executive Officer***

	<i>Position</i>	<i>2024</i> <i>VND million</i>	<i>2023</i> <i>VND million</i>
<b>Members of the Board of Directors</b>			
Remuneration			
Mr. Ngo Chi Dzung	Chairman	(3,360)	(3,360)
Mr. Bui Hai Quan	Vice Chairman	(3,120)	(3,120)
Mr. Lo Bang Giang	Vice Chairman	(3,120)	(3,120)
Mr. Nguyen Duc Vinh	Member	-	-
Ms. Pham Thi Nhung	Member	-	-
Mr. Takeshi Kimoto	Member	-	-
Mr. Nguyen Van Phuc	Independent member	(1,200)	(1,200)
<b>Members of the Board of Supervision</b>			
Remuneration, salary and allowances	Board of Supervision	(6,429)	(6,010)
<b>Chief Executive Officer</b>			
Mr. Nguyen Duc Vinh	CEO	(11,319)	(11,388)

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



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

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

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

	<i>Domestic VND million</i>	<i>Foreign VND million</i>	<i>Total VND million</i>
Loans to customers, debt purchases and credit granting to other credit institutions	701,797,987	2	701,797,989
Total fund mobilization	693,988,613	60,426,667	754,415,280
Credit commitments and other guarantees	43,246,593	71,404	43,317,997
Derivative instruments	(247,549)	275,606	28,057
Securities held for trading and investment securities	66,031,076	-	66,031,076

#### 45. FINANCIAL RISK MANAGEMENT POLICIES

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

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

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

##### ***Risk management framework***

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

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

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

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

##### 45.1 Credit risk

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

##### *Credit risk management*

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

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

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

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

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

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

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

##### 45.1 Credit risk (continued)

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

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

	<i>Not past due</i> <i>VND million</i>	<i>Past due but</i> <i>not impaired</i> <i>VND million</i>	<i>Past due</i> <i>and</i> <i>individually</i> <i>impaired</i> <i>VND million</i>	<i>Total</i> <i>VND million</i>
Placements with and credit granting to other credit institutions - gross	134,643,662	-	-	134,643,662
- <i>Placements with other credit institutions</i>	126,527,280	-	-	126,527,280
- <i>Credit granting to other credit institutions</i>	8,116,382	-	-	8,116,382
Securities held for trading – gross (*)	11,540,105	-	-	11,540,105
Loans to customers and debts purchases – gross	621,092,242	10,524,267	62,065,098	693,681,607
Investment securities – gross (*)	50,778,998	2,056,000	-	52,834,998
Other assets – gross	27,190,359	6,432	342,169	27,538,960
<b>Total</b>	<b>845,245,366</b>	<b>12,586,699</b>	<b>62,407,267</b>	<b>920,239,332</b>

(\*) *Excluding equity securities*

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

The Bank's not past due assets include group 1 debts in accordance with Circular 31; loans that meet the requirements of Circular 02, Circular 06 and Circular 53 prescribing that CIs and foreign banks' branches restructure debt repayment terms and kept the debt groups unchanged support customers in difficulty; securities, receivables and other assets that are not past due and are not required to make provisions in accordance with Circular 48 and Circular 24. The Bank estimates that it is capable of recovering these assets in full and on time in the future.

The Bank's overdue financial assets are classified according to each partner with credit risk according to quantitative methods guided by Circular 31, Circular 02, Circular 06 and Circular 53.

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



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

##### 45.2 Market risk

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

##### *Market risk management*

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

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

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

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

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

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

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

**45.2 Market risk (continued)**

**(a) Interest rate risk**

The interest rates set by the Bank for loans to customers and customer deposits by currencies are presented in *Note 10* and *Note 20*, respectively.

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

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

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

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

- ▶ Cash and gold, balances with the SBV, long-term investments, fixed assets, other assets and other liabilities are classified as "Non-interest bearing";
- ▶ The interest repricing term of held-for-trading securities and investment securities is calculated based on the remaining contractual payment/maturity date at the time of preparing the consolidated financial statement if those securities have a fixed interest rate, or based on the nearest repricing date if these securities have a floating interest rate;
- ▶ The interest repricing term of placement at and loans to other FIs, CIs, derivatives and other financial assets/liabilities, loans to customers, debts purchased; balances with the Government and the SBV; placement and borrowings from other FIs, deposits from customers, and valuable paper are identified as follows:
  - ✓ Items with fixed interest rates: repricing term based on contractual maturity date since the reporting date of the consolidated financial statements;
  - ✓ Items with floating interest rates: repricing term based on the nearest repricing date since the reporting date of the consolidated financial statements;

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

##### 45.2 Market risks (continued)

##### (a) Interest rate risk (continued)

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

	Overdue VND million	Non-interest bearing VND million	Interest re-pricing period					Over 5 years VND million	Total VND million
			Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million		
<b>Assets</b>									
Cash, gold and gemstones	-	2,148,289	-	-	-	-	-	-	2,148,289
Balances with the SBV	-	13,733,896	593,319	-	-	-	-	-	14,327,215
Placements with and credit granting to other credit institutions – gross	-	-	129,374,659	3,102,331	1,965,854	200,818	-	-	134,643,662
Securities held for trading – gross	-	1,640,615	10,900,282	639,824	-	-	-	-	13,180,721
Loans to customers and debts purchases – gross	26,750,477	-	319,464,033	160,174,045	72,217,916	86,620,436	28,086,800	367,900	693,681,607
Investment securities – gross	720,000	1,008,284	7,126,579	6,115,449	2,558,026	931,919	8,449,072	25,941,026	52,850,355
Long-term investments – gross	-	189,210	-	-	-	-	-	-	189,210
Fixed assets	-	2,023,761	-	-	-	-	-	138	2,023,899
Other assets – gross	344,742	26,920,927	21,999	167,979	8,397	74,916	-	-	27,538,960
<b>Total assets</b>	<b>27,815,219</b>	<b>47,664,982</b>	<b>467,480,871</b>	<b>170,199,628</b>	<b>76,750,193</b>	<b>87,828,089</b>	<b>36,535,872</b>	<b>26,309,064</b>	<b>940,583,918</b>
<b>Liabilities</b>									
Amounts due to the Government and the SBV	-	-	5,713	-	-	-	-	-	5,713
Deposits and borrowings from financial institutions other credit institutions	-	-	127,424,754	27,290,448	34,537,552	12,503,667	-	-	201,756,421
Customer deposits	-	-	158,120,712	123,077,340	126,492,432	68,302,761	9,672,471	832	485,666,548
Derivatives and other financial liabilities	-	-	11,306,700	295,652	(300,447)	(3,186,288)	(8,087,560)	-	28,057
Other borrowed and entrusted funds	-	-	-	10,894	-	-	-	-	10,894
Valuable papers issued	-	-	4,537,938	8,321,767	21,442,097	27,628,796	5,045,106	-	66,975,704
Other liabilities	-	22,114,137	4,088	6,824	3,989	-	-	-	22,129,038
<b>Total liabilities</b>	<b>-</b>	<b>22,114,137</b>	<b>301,399,905</b>	<b>159,002,925</b>	<b>182,175,623</b>	<b>105,248,936</b>	<b>6,630,017</b>	<b>832</b>	<b>776,572,375</b>
<b>Interest sensitivity gap (statement of financial position)</b>	<b>27,815,219</b>	<b>25,550,845</b>	<b>166,080,966</b>	<b>11,196,703</b>	<b>(105,425,430)</b>	<b>(17,420,847)</b>	<b>29,905,855</b>	<b>26,308,232</b>	<b>164,011,543</b>
<b>Interest sensitivity gap (off-balance sheet)</b>	<b>-</b>	<b>-</b>	<b>10,888,233</b>	<b>(1,914,030)</b>	<b>803,487</b>	<b>(2,366,749)</b>	<b>(8,217,177)</b>	<b>-</b>	<b>(806,236)</b>
<b>Interest sensitivity gap (on, off- statement of financial position)</b>	<b>27,815,219</b>	<b>25,550,845</b>	<b>176,969,199</b>	<b>9,282,673</b>	<b>(104,621,943)</b>	<b>(19,787,596)</b>	<b>21,688,678</b>	<b>26,308,232</b>	<b>163,205,307</b>

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

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

**45.2 Market risk** (continued)

**(a) Interest rate risk** (continued)

*Interest rate sensitivity*

Assuming that all other variables remain constant, the effects of fluctuation in interest rates of interest-bearing assets and liabilities (including fixed-rate assets and liabilities) have an effect on profitability, profit before tax, profit after tax and equity of the Bank are as follows:

	<i>Increase in interest rate</i>	<i>Impact on</i>	
		<i>Profit before tax VND million</i>	<i>Profit after tax and equity VND million</i>
<b>As at 31 December 2024</b>			
USD	1.50%	6,028	4,822
VND	3.00%	3,308,756	2,647,005
<b>As at 31 December 2023</b>			
USD	1.50%	(65,352)	(52,282)
VND	3.00%	2,789,528	2,231,622



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

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

**45.2 Market risk** (continued)

**(b) Currency risk**

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

**Currency risk management**

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

Exchange rates of major currencies as at the reporting date are presented in *Note 50*.

*Exchange rate sensitivity*

Assuming that all other variables are unchanged, the table below shows the impact on profit after tax and equity of the Bank and its subsidiaries due to the changes that may occur by exchange rate. Risks due to the changes of exchange rates to other currencies of the Bank and its subsidiaries are not significant. Level of increase represents the USD has strengthen against VND.

	<i>Assumed level of increase</i>	<i>Impact on profit after tax and equity VND million</i>
<b>As at 31 December 2024</b>		
USD	2.00%	4,229
<b>As at 31 December 2023</b>		
USD	2.00%	32,130



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

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

##### 45.2 Market risks (continued)

##### (b) Currency risk (continued)

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

	<i>EUR equivalent VND million</i>	<i>USD equivalent VND million</i>	<i>Gold equivalent VND million</i>	<i>Other currencies equivalent VND million</i>	<i>Total VND million</i>
<b>Assets</b>					
Cash, gold and gemstones	24,730	161,545	28,388	42,152	256,815
Balances with the SBV	791	208,148	-	-	208,939
Placements with and credit granting to other credit institutions - gross	124,832	23,193,368	-	227,993	23,546,193
Loans to customers and debts purchased- gross	64,286	10,826,830	-	-	10,891,116
Other assets – gross	1,191	1,288,933	-	4,242	1,294,366
<b>Total assets</b>	<b>215,830</b>	<b>35,678,824</b>	<b>28,388</b>	<b>274,387</b>	<b>36,197,429</b>
<b>Liabilities</b>					
Deposits and borrowings from the Government and the SBV, financial institutions and other credit institutions	64,283	72,101,678	-	-	72,165,961
Customer deposits	118,448	3,366,530	-	141,547	3,626,525
Derivatives and other financial liabilities	66,471	(41,853,927)	-	74,725	(41,712,731)
Other liabilities	2,686	1,800,201	-	98,851	1,901,738
<b>Total liabilities</b>	<b>251,888</b>	<b>35,414,482</b>	<b>-</b>	<b>315,123</b>	<b>35,981,493</b>
<b>FX position on statement of financial position</b>	<b>(36,058)</b>	<b>264,342</b>	<b>28,388</b>	<b>(40,736)</b>	<b>215,936</b>
<b>FX position off-balance sheet</b>	<b>1,328</b>	<b>1,027,270</b>	<b>-</b>	<b>(11,883)</b>	<b>1,016,715</b>
<b>Net on, off-balance sheet FX position</b>	<b>(34,730)</b>	<b>1,291,612</b>	<b>28,388</b>	<b>(52,619)</b>	<b>1,232,651</b>

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

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

**45.2 Market risks (continued)**

**(c) Liquidity risk**

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

***Liquidity risk management***

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

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

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

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

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

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

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

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

**45.2 Market risks (continued)**

**(c) Liquidity risk (continued)**

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

- ▶ Balances with the SBV are classified as demand deposits with remaining maturity of up to one month which include SBV reserve. The balance of SBV reserve depends on the proportion and terms of the Bank's deposits from customers;
- ▶ The remaining maturity of held-for-trading securities is considered into less than 1 month of remaining maturity category, as these securities are held in the short term with trading purpose;
- ▶ The remaining term of investment securities is calculated based on maturity date of these securities. In particular, government and Government – guaranteed securities, although classified as long-term according to the remaining maturity, are liquid assets on the market and shall be converted into cash within a short time period;
- ▶ The remaining maturity of placement at and loans to other FIs, and loans to customers is determined based on maturity date of the contract. Actual maturity date may change due to loans contracts being extended/prepaid;
- ▶ The remaining maturity of equity investment is considered as more than five (5) years because these investments do not have specific maturity date, or determined as per the Bank Resolution;
- ▶ The remaining maturity of placements and borrowings from other FIs, deposits from customers, due to the Government and the SBV and other assets are determined based on nature of these items or the maturity date stipulated on the contract. Demand deposits are transacted as required by customers and therefore being classified as non-term deposits. Maturity of loans and term deposits are determined based on the contractual maturity date. In practice, these items may be rolled over and therefore last for longer period than the original maturity date;
- ▶ The maturity term of fixed assets is determined on the remaining useful life of assets;
- ▶ The maturity term of issued valuable paper is determined based on the actual maturity of each type of valuable paper; and
- ▶ The maturity term of other liabilities is classified as "Up to one month".

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

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

##### 45.2 Market risk (continued)

##### (c) Liquidity risk (continued)

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

	Overdue		Current					Total VND million
	Above 3 months VND million	Within 3 months VND million	Up to 1 months VND million	From 1 to 3 months VND million	From 3 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	
<b>Assets</b>								
Cash, gold and gemstones	-	-	2,148,289	-	-	-	-	2,148,289
Balances with the SBV	-	-	14,327,215	-	-	-	-	14,327,215
Balances with and credit granting to other credit institutions - gross	-	-	129,374,660	3,102,331	2,166,671	-	-	134,643,662
Securities held for trading - gross	-	-	12,540,897	639,824	-	-	-	13,180,721
Loans to customers and debts purchased - gross	15,635,721	11,114,756	85,718,091	69,251,974	208,823,421	209,594,915	93,542,729	693,681,607
Investment securities - gross	720,000	-	4,987,935	3,640,307	2,937,830	14,591,338	25,972,945	52,850,355
Long-term investments - gross	-	-	-	-	-	-	189,210	189,210
Fixed assets	-	-	1	9	178	29,098	1,994,613	2,023,899
Other assets - gross	343,734	1,008	21,574,725	667,853	4,651,573	89,464	210,603	27,538,960
<b>Total assets</b>	<b>16,699,455</b>	<b>11,115,764</b>	<b>270,671,813</b>	<b>77,302,298</b>	<b>218,579,673</b>	<b>224,304,815</b>	<b>121,910,100</b>	<b>940,583,918</b>
<b>Liabilities</b>								
Amounts due to the Government and the SBV	-	-	2,395	2,181	1,137	-	-	5,713
Deposits and borrowings from financial institutions and other credit institutions	-	-	108,903,633	19,660,134	49,202,724	21,702,085	2,287,845	201,756,421
Customer deposits	-	-	158,120,711	123,077,340	194,795,194	9,672,471	832	485,666,548
Derivatives and other financial liabilities	-	-	(94,395)	(107,898)	(153,471)	383,821	-	28,057
Other borrowed and entrusted funds	-	-	-	1,701	3,671	5,522	-	10,894
Valuable papers issued	-	-	4,537,938	8,321,767	49,070,893	5,045,106	-	66,975,704
Other liabilities	-	-	21,510,014	339,878	278,120	1,026	-	22,129,038
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>292,980,296</b>	<b>151,295,103</b>	<b>293,198,268</b>	<b>36,810,031</b>	<b>2,288,677</b>	<b>776,572,375</b>
<b>Net liquidity gap</b>	<b>16,699,455</b>	<b>11,115,764</b>	<b>(22,308,483)</b>	<b>(73,992,805)</b>	<b>(74,618,595)</b>	<b>187,494,784</b>	<b>119,621,423</b>	<b>164,011,543</b>



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

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

**45.2 Market risk (continued)**

**(d) Other market price risk**

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

**46. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

On 06 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial year beginning on or after 01 January 2011.

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

Financial assets

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

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

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

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

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

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

**46. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**

Financial assets (continued)

▶ *Held to maturity investments*

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

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

▶ *Loans and receivables:*

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

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

▶ *Available-for-sale financial assets*

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended**46. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)**Financial liabilities

According to Circular 210 financial liabilities of the Bank includes deposits and borrowings from other FIs, CIs, valuable papers issued and other currency derivative contracts liabilities

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

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

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

a) It is classified as held for trading. A financial liability is classified as held for trading if:

- ▶ It is acquired or incurred principally for the purpose of reselling or repurchasing it in the near term;
- ▶ There is evidence of a recent actual pattern of short-term profit-taking; or
- ▶ It is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).

b) Upon initial recognition, it is designated by the entity as at fair value through profit or loss.

▶ *Financial liabilities at amortized cost:*

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

Offsetting of financial assets and financial liabilities

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

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

#### 46. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

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

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

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



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

#### 47. SEGMENT INFORMATION

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

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

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

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

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

#### 47. SEGMENT INFORMATION (continued)

##### 47.1 Primary segment information by business segment (continued)

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

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

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

#### 47. SEGMENT INFORMATION (continued)

##### 47.2 The supplementary segment information by geographical area

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

#### 48. CHANGE IN NET PROFIT

The consolidated profit after tax for the year ended 31 December 2024 of the Bank and its subsidiaries increased by VND7,492,655 million compared to the consolidated profit after tax for the year ended 31 December 2023, equivalent to 88.21% increase due to the following reasons:

	<i>Profit before tax</i> <i>VND million</i>
Profit increase due to increase in interest and similar income	10,905,731
Profit decrease due to decrease in net fee and commission income	(1,085,559)
Profit increase due to increase in net gain from trading of foreign currencies and gold	1,633,213
Profit decrease due to decrease in net gain from securities held for trading	(19,217)
Profit increase due to increase in net gain from investment securities	219,635
Profit increase due to increase in net gain from other operating activities	852,111
Profit increase due to increase in net gain from investments in other entities	9,654
Profit decrease due to increase in operating expenses	(398,514)
Profit decrease due to increase in provision for credit losses	(2,908,250)
<b>Change in profit before tax</b>	<b>9,208,804</b>
<b>Change in corporate income tax</b>	<b>(1,716,149)</b>
<b>Change in profit after tax</b>	<b>7,492,655</b>

#### 49. EVENTS AFTER THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATE

On 9 January 2025, the Bank's Board of Directors passed Resolution No. 09/2025/NQ-HDQT regarding the purchase of shares from the stock offering to existing shareholders of OPES, whereby the number of additional shares purchased was 62,947,826 shares. Subsequently, on 15 January 2025, the Bank's Board of Directors passed Resolution No. 10/2025/NQ-HDQT concerning the purchase of additional shares according to the Notice of unregistered shares offering for the first phase of OPES. As a result, the number of additional shares purchased was 552,174 shares, bringing the total number of shares held by VPBank after the acquisition to 188,900,000 shares, corresponding to a holding rate of 99.42%.

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

**49. EVENTS AFTER THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATE**  
(continued)

On 17 January 2025, the State Bank announced the decision to forcefully transfer Global Petro Sole Member Limited Commercial Bank (GPBank), 100% owned by the State, to VPBank according to the plan approved by the Government. After the mandatory transfer, GPBank continues to operate as a one-member limited liability bank with 100% charter capital owned by VPBank, and is allowed to carry out business activities of a commercial bank as regulations. GPBank is an independent legal entity and its financial statements are not consolidated into VPBank's consolidated financial statements.

There has not been any matter of circumstance that has arisen since the end of the reporting date that has affected or may significantly affect the operations of the Bank, the results of its operations or the state of affairs of the Bank that requires adjustment of or disclosure in the consolidated financial statements of the Bank.



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

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

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

Prepared by:

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Ms. Nguyen Thi Thu Hang  
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Ms. Le Hoang Khanh An  
Chief Financial Officer

Mr. Nguyen Duc Vinh  
Chief Executive Officer

Hanoi, Vietnam

07-03-2025



**NGÂN HÀNG TMCP VIỆT NAM THỊNH VƯỢNG (VPBANK)**

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