

No.: 512/2025/CV-PGB

Hanoi, April 16th, 2025

AD-HOC DECLARATION

To: - State Securities Commission
- Hanoi Stock Exchange

1. Public Company Name: **Prosperity And Growth Commercial Joint Stock Bank**

- Stock code: **PGB**

- Address: 16th, 23rd, 24th floors, MIPEC Building, No. 229 Tay Son, Nga Tu So Ward, Dong Da District, Hanoi City.

- Tel.: 024 62811298

Fax: 024 62811298

- E-mail: vphdqt.pgbank@pgbank.com.vn

- Legal representative: Mr. Pham Manh Thang

Position: Chairman of the BOD

2. Details:

Prosperity And Growth Commercial Joint Stock Bank (PGBank) announced **2024 Annual report**.

Detailed documents are attached.

3. This declaration was published on the company's website on April 16th, 2025 at the link:
<https://www.pgbank.com.vn/nha-dau-tu/cong-bo>

We hereby commit that the above declared information are true and take full legal responsibility for the content of the information published above.

Attached documents:
- 2024 Annual report

**PROSPERITY AND GROWTH COMMERCIAL
JOINT STOCK BANK**
LEGAL REPRESENTATIVE
CHAIRMAN OF THE BOARD OF DIRECTORS



Pham Manh Thang
Pham Manh Thang



2024 | ANNUAL REPORT



Prosperity and Growth Commercial Joint Stock Bank

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2024 Annual Report

Prosperity and Development Commercial Joint Stock Bank

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Message of the Chairman of the Board of Directors

Dear Shareholders,
Partners and Customers,

In 2024, amid numerous challenges faced by both the global and domestic economies, the emergence of breakthrough technological trends has had a profound impact, transforming the way people work and interact across various industries and sectors. Against this backdrop, Petrolimex Group Commercial Joint Stock Bank (PGBank) has made continuous efforts to maintain stability, pursue sustainable development, and generate long-term value for its shareholders, partners, and customers.

We take pride in the achievements attained over the past year, ranging from stable growth in assets and profits, enhanced governance capacity, technological advancements, to the expansion of our network and the provision of high-quality financial products and services. These results not only reflect our commitment to the mission of serving customers, but also reaffirm PGBank's position in the Vietnamese financial market.

In the coming period, we will remain steadfast in pursuing a sustainable development strategy, focusing on building a high-quality workforce, strengthening governance grounded in a healthy and transparent corporate culture, further enhancing our technological infrastructure, and proactively applying selected new technologies to banking operations in order to deliver superior financial products and enhance the customer experience. With the mission of "always by your side to success", PGBank is committed to building sustainable relationships based on trust and long-term companionship with our partners and customers. Your success is our greatest motivation and pride.



PGBank


On behalf of the Board of Directors, I would like to extend my sincere gratitude to our esteemed shareholders, partners, and customers for your support, companionship, and trust in PGBank over the past year. We look forward to continuing to receive your confidence in the time ahead. We remain committed to making continuous efforts to deliver the best possible value to all of you.

Best regards.

Chairman of the Board of Directors
of PGBank.

Pham Manh Thang





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General information





General information

Full name : NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN THỊNH VƯỢNG VÀ PHÁT TRIỂN

English name : PROSPERITY AND GROWTH COMMERCIAL JOINT STOCK BANK

Abbreviation name : PGBank

Trading name : Prosperity and Growth Commercial Joint Stock Bank

Establishment License : No. 42/GP-NHNN issued by the State Bank of Vietnam on June 16, 2021

Business registration certificate

1400116233 issued by Business Registration Office No.2 - Department of Planning and Investment in Hanoi city dated November 29, 1993 for the first certificate, December 21, 2023 for the 24th amendment certification

Charter capital : VND 4,200,000,000,000

Headquarter

Floor 16, 23 and 24, Mipec Building, No. 229 Tay Son, Khuong Thuong Ward, Dong Da District, Hanoi City, Vietnam

Website : www.pgbank.com.vn **Email** : dvkh@pgbank.com.vn

Tel : (+84) 24 6281 1298 **Fax** : (+84) 24 6281 1299

Tax code : 1400116233 **Mã SWIFT** : PGBLVNVX

Stock code : PGB

Formation and Development Process



1993

Prosperity and Growth Commercial Joint Stock Bank, formerly Dong Thap Muoi Rural Commercial Joint Stock Bank, officially operated under license number 0045/NH-GP dated November 13, 1993. After Vietnam National Petroleum Group (Petrolimex) contributed capital to the Bank and became a major shareholder, Dong Thap Muoi Rural Commercial Joint Stock Bank changed its name to "Petrolimex Petroleum Commercial Joint Stock Bank", abbreviated as "PG Bank" according to Decision No. 368/QD-NHNN dated February 8, 2007 of the State Bank of Vietnam.



2023

Pursuant to the Prime Minister's direction in Decision No. 22/2021/QĐ-TTg dated July 2, 2021 on criteria for classifying state-owned enterprises, enterprises with state capital, ownership conversion, rearrangement, and state capital divestment in the period of 2021 - 2025, Petrolimex has completed the divestment procedures at PG Bank and is officially no longer a major shareholder since August 31, 2023.

With the approval of the State Bank in Decision No. 2346/QĐ-NHNN dated December 19, 2023, PG Bank was officially renamed Prosperity and Growth Commercial Joint Stock Bank (abbreviated name: PGBank) along with a new brand identity.



Key events in 2024

Successfully organize the General Meeting of Shareholders



The 2024 Annual General Meeting of Shareholders

On April 20, 2024, PGBank held the 2024 Annual General Meeting of Shareholders to approve a number of key contents such as: Audited financial statements and fund allocation, profit distribution in 2023; Finalization of remuneration, salary, bonus, operating expenses and other benefits of the Board of Directors, Board of Supervisors in 2023 and

Approval of remuneration, bonus, other benefits and operating budget of the Board of Directors, Board of Supervisors in 2024; Financial plan for 2024; Charter and internal regulations on Bank Governance, Operating regulations of the Board of Directors, Board of Supervisors; Adjustment of the Charter Capital Increase Plan.



The 2024 Extraordinary General Meeting of Shareholders



On the morning of August 26, 2024, in Hanoi, Prosperity and Growth Commercial Joint Stock Bank (PGBank) held the 2024 Extraordinary General Meeting of Shareholders with the participation of a large number of shareholders. At the General Meeting, the General Meeting of Shareholders approved two main contents:

Firstly

The appointment of two additional independent members of the Board of Directors – Mr. Dao Quoc Tinh and Ms. Cao Thi Thuy Nga – was approved in order to comply with the provisions of the Law on Credit Institutions 2024 and to enhance transparency and objectivity in the Bank’s governance.

Secondly

The proposal regarding the relocation of PGBank’s headquarters was approved. Accordingly, the headquarters will be moved to building 79 Dich Vong Hau, Cau Giay district, Hanoi. Driven by the need to expand working space and invest in modern, well-appointed facilities, the new headquarters is expected to contribute to enhancing the Bank’s brand image while also providing a comfortable and professional working environment for employees.

Expand the network

In 2024, PGBank has expanded its network of Branches and Transaction Offices in many localities across the country, specifically: Complete procedures to request approval from the State Bank to establish branches in Thai Nguyen, Nghe An, Thanh Hoa, Dong Anh, Ninh Binh. At the same time, through repairing and relocating PGBank branches and transaction offices to convenient locations with large premises, creating a professional and modern brand image for customers and partners.



Business lines and locations

Business lines

- Acceptance of demand deposits, time deposits, savings deposits, and other types of deposits

• Credit is granted in the following forms:

- Lending
- Discounting, re-discounting of negotiable instruments and other valuable papers
- Bank guarantee
- Issuance of credit cards
- Domestic factoring

- Opening of payment accounts for customers

• Provision of domestic payment services:

- Provision of payment instruments
- Provision of payment services of checks, payment orders, payment authorizations, collections, collection authorizations, letters of credit, bank cards, collection and payment services.



- Opening of an account: at the State Bank of Vietnam; credit institutions, other foreign bank branches.
- Organization of internal payments, participation in the national interbank payment system.
- Cash management services, banking and financial consulting; asset management and preservation services, safe deposit box and safe deposit box rental.
- Corporate finance consulting, advisory services on business acquisition, sale, merger, and consolidation, investment advisory services
- Participation in bidding, purchase and sale of Treasury bills, negotiable instruments, government bonds, State Bank of Vietnam bills, and other valuable papers on the money market.
- Purchase and sale of government bonds and corporate bonds.
- Currency brokerage services.
- Issuance of certificates of deposit, promissory notes, treasury bills, bonds to raise capital in accordance with the regulations of the Law on Credit Institutions of 2010 (as amended and supplemented), the Securities Law, government regulations, and the guidelines of the State Bank of Vietnam.
- Borrowing funds from the State Bank of Vietnam in the form of refinancing under the provisions of the State Bank of Vietnam Law and guidelines of the State Bank of Vietnam.
- Borrowing, lending, depositing, and receiving capital deposits from credit institutions, foreign bank branches, domestic and foreign financial institutions in accordance with the provisions of law and instructions of the State Bank of Vietnam.
- Capital contribution, share purchase in accordance with the regulations of the law and the State Bank of Vietnam.
- Trustee, receiving trusteeship, agency in areas related to banking operations, insurance business, asset management according to the regulations of the law and guidance from the State Bank of Vietnam.
- Foreign exchange trading, foreign exchange service provision in both domestic and international markets within the scope regulated by the State Bank of Vietnam.
- Provision of commodity derivatives products.
- Debt purchase.



Business location

By the end of 2024

01 HEAD OFFICE

23 BRANCHES

68 TRANSACTION OFFICES

19 PROVINCES AND CITIES



By the end of 2024, PGBank will have 01 Head Office, 23 Branches and 68 Transaction Offices. The total number of branches and transaction offices after the new openings will be 91 service points, including 23 branches and 68 transaction offices spread across 19 provinces and cities nationwide.

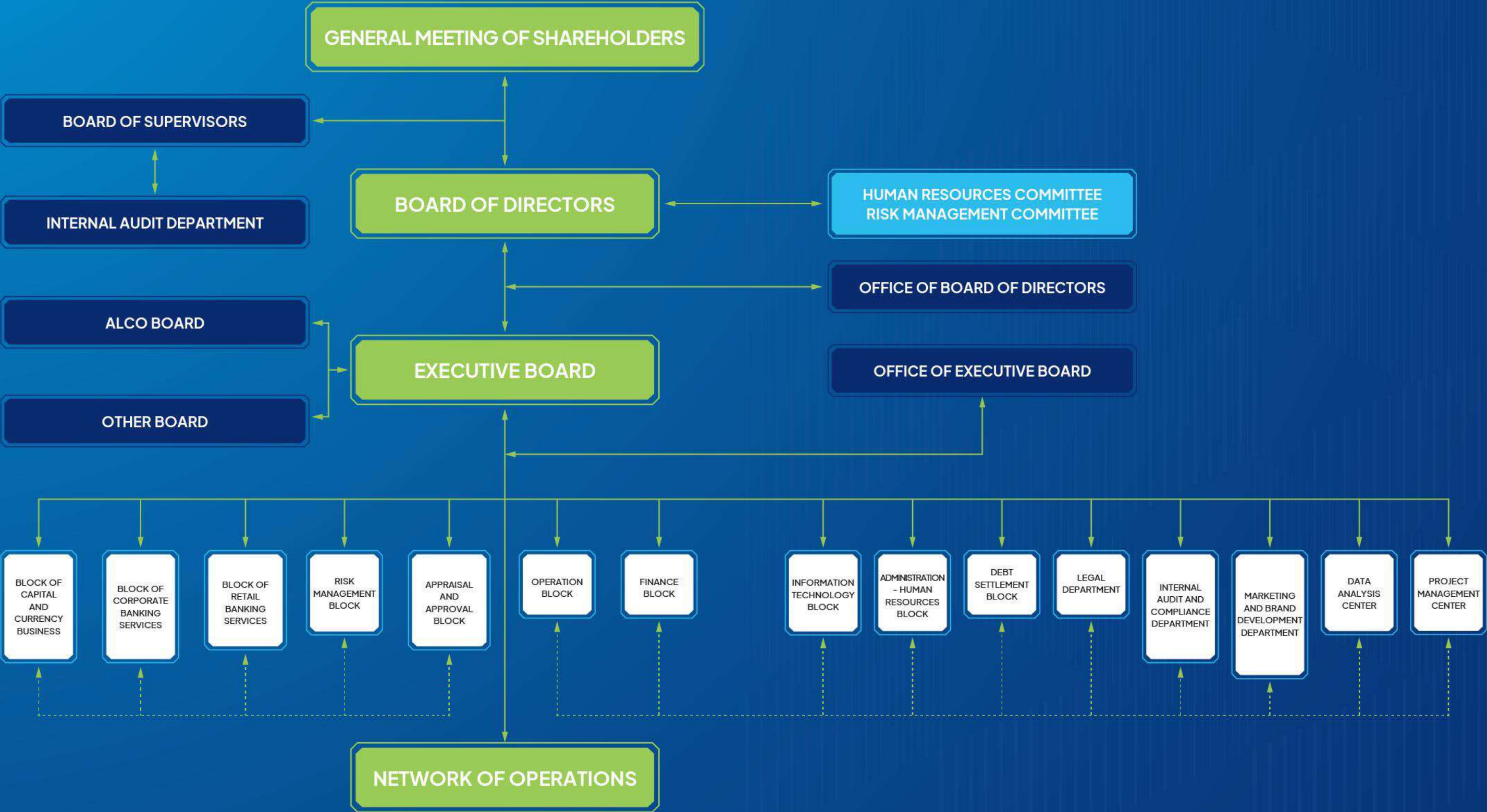
Currently, PGBank has established a network of correspondent banks with nearly 200 banks and bank branches worldwide, in which PG Bank always establishes correspondent relationships with leading banks in each country and territory.

In Vietnam, PGBank has relationships with all domestic financial institutions including: State-owned commercial banks, joint stock commercial banks, joint venture banks, wholly foreign-owned banks and foreign bank branches, finance companies, and other financial institutions.

Information on governance model, business organization and management apparatus

NOTES

- ↔ Direct top-down management and feedback from subordinates.
- ↔ In direct top-down management and feedback from subordinates.



Board of Directors



Mr. PHAM MANH THANG
Chủ tịch HĐQT

Mr. Pham Manh Thang is a PhD in Economics – Banking Academy of Vietnam. Mr. Pham Manh Thang used to work at Joint Stock Commercial Bank for Foreign Trade of Vietnam and held many important positions such as Branch Director, Deputy General Director, Member of the Executive Committee of the Party Committee of Joint Stock Commercial Bank for Foreign Trade of Vietnam. In September 2023, Mr. Pham Manh Thang was appointed as General Director of PGBank. On October 23, 2023, Mr. Pham Manh Thang ceased to hold the position of General Director and was officially elected Chairman of the Board of Directors of PGBank.



Mr. DAO PHONG TRUC DAI
Vice Chairman of Board of Directors

Mr. Dao Phong Truc Dai has a Master of Business Administration – University of California, Miramar, USA. Mr. Dai has many years of experience in finance, banking and corporate governance. Previously, Mr. Dao Phong Truc Dai was an independent member of the Board of Directors of Vietnam Export Import Commercial Joint Stock Bank. On October 23, 2023, Mr. Dao Phong Truc Dai was officially elected Vice Chairman of the Board of Directors of PGBank.



Mr. VUONG PHUC CHINH
Member of Board of Directors

Mr. Vuong Phuc Chinh has a Bachelor of Finance and Accounting – Academy of Finance, Hanoi. Mr. Vuong Phuc Chinh has 28 years of experience in the banking and finance sector, having held senior management positions at Vietnam Technological and Commercial Joint Stock Bank, Vietnam Prosperity Joint Stock Commercial Bank and Southeast Asia Commercial Joint Stock Bank. In September 2023, Mr. Vuong Phuc Chinh joined PGBank and held the position of Director of Retail Banking Services. On October 23, 2023, Mr. Vuong Phuc Chinh was officially elected as a member of the Board of Directors of PGBank.



Mr. DINH THANH NGHIEP
Member of Board of Directors

Mr. Dinh Thanh Nghiep graduated from Ho Chi Minh City University of Economics and Ho Chi Minh City University of Law, and completed the Advanced Political Theory training program. Mr. Nghiep used to be the Director of Dong Thap Muoi Commercial Joint Stock Bank – the predecessor of PGBank. After transforming into an Urban Commercial Joint Stock Bank, from 2005 to present, Mr. Nghiep has been a member of the Board of Directors and Deputy General Director of PGBank. With many years of experience in management positions, he has played an important role in leading PGBank through the difficult early years to achieve the current successes.

Board of Management



Mr. DAO QUOC TINH

Independent Member
of the Board of Directors

Mr. Dao Quoc Tinh is a PhD in Economics from the Banking Academy. He has held senior management positions at the State Bank of Vietnam such as Deputy Director in charge of Internal Audit - General Control Department, Deputy Director of the Transaction Office, Director of the Anti-Money Laundering Center, Deputy Chief Inspector of Banking Supervision. From May 2015 to June 2023, he was a member of the Board of Directors and General Director of the Deposit Insurance of Vietnam. On August 26, 2024, Mr. Dao Quoc Tinh was officially elected as an independent member of the Board of Directors of PGBank.



Ms. CAO THI THUY NGA

Independent Member
of the Board of Directors

Ms. Cao Thi Thuy Nga has a Master's degree in Monetary Finance from the Academy of Finance. She has held senior management positions at many credit institutions such as Chief Accountant, Head of the Board of Supervisors of VID Public Bank Joint Venture Bank; Deputy General Director of the Military Commercial Joint Stock Bank; Chairwoman of the Board of Directors, Head of the Board of Supervisors of MB Securities Joint Stock Company. On August 26, 2024, Ms. Cao Thi Thuy Nga was officially elected as an independent member of the Board of Directors of PGBank.



Mr. NGUYEN VAN HUONG

General Director

Mr. Nguyen Van Huong has more than 21 years of experience in the field of finance and banking. He graduated with a Bachelor's degree in Investment Economics and a Master's degree in Business Administration from the National Economics University in Hanoi. Throughout his career, he has held various positions ranging from credit officer to corporate and retail banking relationship manager, as well as overseeing key sales channels at major state-owned and joint-stock commercial banks such as the Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank), Vietnam Prosperity Joint Stock Commercial Bank (VPBank), and most recently served as Deputy Chief Executive Officer at Orient Commercial Joint Stock Bank (OCB). He was officially appointed General Director of PGBank from December 7, 2024.



Mr. TRAN VAN LUAN

Deputy General Director

Mr. Tran Van Luan has more than 16 years of experience in the field of Finance - Banking and has been with PGBank from 2007 to present. He graduated with a Bachelor of Economics, majoring in Accounting from the Academy of Finance. Mr. Luan has had a long tenure at PGBank, progressing from staff positions to leadership roles across various departments, including the Risk

Management and Re-appraisal Department, and the Corporate Banking Department. From January 2023 to March 2024, he held the position of Director of Dong Do Branch cum Deputy Director of Hanoi Branch. On March 12, 2024, he was officially appointed as Deputy General Director of PGBank.



Mr. NGUYEN TRONG CHIEN
Deputy General Director

Graduated with a Bachelor's degree in Banking and Finance from the Academy of Finance, Mr. Nguyen Trong Chien has more than 14 years of experience in the field of Finance - Banking. He has held important leadership positions at leading financial institutions such as: MB Shinsei Finance Limited Liability Company; Military Bank Assets Management Company Limited; Military Commercial Joint Stock Bank. Mr. Chien was appointed as Deputy General Director of PGBank from March 12, 2024.



Mr. LE VAN PHU
Deputy General Director

Mr. Le Van Phu has more than 14 years of experience in the field of Finance - Banking. He is a Bachelor of Economics, majoring in Credit Finance from Hanoi University of Finance and Accounting. At PGBank, he has held important positions such as Deputy Head of Corporate Customer Department and Deputy Director in charge of Branches. Before being appointed Deputy General Director of PGBank, Mr. Phu held the position of Director of Hai Duong Branch. He was appointed Deputy General Director of PGBank from March 12, 2024.



Ms. NGUYEN THI THU HA
Deputy Director in charge
of Finance and Chief Accountant

Ms. Nguyen Thi Thu Ha graduated with a Bachelor's degree in Economics. With over 26 years of experience in the banking sector, Ms. Ha has held various positions, including Deputy Head in charge of the Finance and Accounting Department at BIDV Cau Giay, and Head of Financial Accounting Department - Finance Division at PGBank.

Since August 2016, Ms. Nguyen Thi Thu Ha has been appointed as Deputy Director in charge of the Finance Division cum Chief Accountant of PGBank.

Board of Supervisors



Mr. TRAN NGOC DUNG

Head of Board of Supervisors

Mr. Tran Ngoc Dung is a Bachelor of Ho Chi Minh City University of Economics and Ho Chi Minh City University of Law. Mr. Tran Ngoc Dung has 30 years of experience in the field of finance and banking. He has held senior management positions at Nam A Commercial Joint Stock Bank and Vietnam Export Import Commercial Joint Stock Bank. In April 2023, he joined PGBank as Assistant General Director and was appointed as Head of Internal Audit of PGBank from July 2023. On October 23, 2023, Mr. Tran Ngoc Dung was officially elected as Head of the Board of Supervisors of PGsBank.



Mr. TRINH MANH HOAN

Member of the Board of Supervisors

Mr. Trinh Manh Hoan - Bachelor of Budget - University of Finance and Accounting. Mr. Trinh Manh Hoan has over 30 years of experience in the field of finance, accounting and auditing. He held the position of Chief Auditor of State Audit Office, specializing in Major I at the State Audit Office and retired in March 2017. On October 23, 2023, Mr. Trinh Manh Hoan was elected as a full-time member of the Board of Supervisors of PGBank.



Ms. HA HONG MAI

Member of the Board of Supervisors

Ms. Ha Hong Mai graduated with a Bachelor of Economics, majoring in Finance and Banking from the National Economics University. Ms. Mai has more than 20 years of experience working in the banking sector with many public positions at Vietnam Technological and Commercial Joint Stock Bank, Prosperity and Growth Bank (formerly Petrolimex Commercial Joint Stock Bank). Before becoming a full-time member of the Board of Supervisors in October 2019, Ms. Mai was Head of Internal Audit of PGBank.



No.	Unit name	Functions
1	Office of the Board of Directors	<ul style="list-style-type: none"> Advise and assist the Board of Directors in performing the functions of leadership and management of all aspects of PGBank's operations. Be the focal point for exchanging information and synthesizing work between the Board of Directors and shareholders.
2	Office of Executive Board	<ul style="list-style-type: none"> Advise and assist the Board of Directors and Executive Board through assistant, secretarial work and internal and external affairs Organize and implement document archiving work at the Head Office
3	Block of Capital and Currency Business	<ul style="list-style-type: none"> Manage capital sources, foreign currency positions, and liquidity in a centralized manner; manage and trade capital, foreign currencies, and commodity derivatives services Establish and develop relationships with credit institutions and other foreign financial institutions.
4	Block of Corporate Banking Services	Manage and operate business activities in the corporate customer segment and financial investment sector.
5	Block of Retail Banking Services	<ul style="list-style-type: none"> Manage, operate, and develop business activities for retail customer segment products and services Develop plans and propose the establishment, modification, or termination of network operations Act as the focal point for providing information, support, and handling inquiries and complaints from customers (across all customer segments) Manage, operate, and develop life and non-life insurance agency activities across the bank

No.	Unit name	Functions
6	Risk Management Block	Manage, monitor and control the Bank's key risks (including: Credit risk, liquidity risk, market risk, interest rate risk on the banking book, concentration risk, operational risk and other material risks)
7	Appraisal and Approval Block	<ul style="list-style-type: none"> Manage and operate credit approval and re-appraisal activities Perform credit approval functions according to the delegated authority Manage, operate, and develop policies, and improve the Bank's procedures related to asset valuation operations (excluding functions related to collateral asset valuation performed by the Risk Management Division).
8	Finance Block	<ul style="list-style-type: none"> Consult, assist the General Director in operating and managing financial and accounting activities throughout the system: Organize accounting operations, provide accounting information and data according to regulations; Control, monitor expenditures, evaluate the effectiveness of the Bank's budget use; Act as the focal point for synthesizing the Bank's business plan. Advise the General Director in developing annual business and financial plans; Monitor the implementation of recommendations from independent auditors and competent authorities on accounting practices; Manage, guide, organize accounting implementation, monitor and evaluate financial accounting operations throughout the system, ensuring compliance with regulations and operational safety; Prepare financial reports; measure, analyze, forecast and evaluate the Bank's business performance; Serve as the main point of contact with independent auditors and tax authorities.

No.	Unit name	Functions
9	Operation Block	<ul style="list-style-type: none"> • Manage, operate, and develop policies and improve the Bank's operational procedures • Develop, guide policies and provide training and inspection related to transactional accounting practices • Develop and manage the Bank's network of business locations and construction projects (excluding functions related to network development performed by the Retail Banking Services Division) • Manage non-performing credit facilities.
10	Information Technology Block	Manage and operate the application of information technology and artificial intelligence in information resource processing, digital banking development, and modernization of business operation technologies.
11	Administration - Human Resources Block	<ul style="list-style-type: none"> • Manage, direct, plan, and implement strategies and policies related to human resources, labor, compensation, and training; • Organize the organizational structure and manage PGBank's human resources; • Manage and execute the procurement of goods and services across the entire system; • Manage and operate administrative tasks and the management of physical infrastructure system-wide.
12	Debt Settlement Block	<ul style="list-style-type: none"> • Manage, monitor, guide, urge and supervise overdue debt collection • Participate in bad debt handling • Advise on overdue debt handling



No.	Unit name	Functions
13	Legal Department	Legal consulting, legal risk management, internal document management and appraisal, dispute resolution consulting
24	Marketing and Brand Development Department	Promote and manage the Bank's brand and image; Organize events; Communicate and public relations
15	Data and Analytics Center	Build and deploy the Bank's entire data and analytics platform
16	Project Management Center	Unify management of common resources for projects implemented at the Bank
17	Internal Audit and Compliance Department	<ul style="list-style-type: none"> • Develop, implement, monitor compliance and conduct internal compliance audits • Directly investigate and prevent fraud, propose measures to handle and monitor, supervise remediation • Resolve complaints and denunciations, prevent corruption and crime, prevent money laundering & terrorist financing • Work with management agencies, directly/coordinate in inspection, examination and supervision activities of management agencies (Inspection and Supervision, State Audit ...).

Development orientations

Mission

Build a modern, transparent and standardized bank, with a commitment to bringing true value to the community and society.

Vision

Accompany customers to success and a unified vision of a prosperous and growing future.

Main objectives

Firstly

PGBank focuses on developing highly specialized products that suit the diverse needs of customers, whether they are personal financial needs, business growth or innovative banking solutions. Each PGBank product is a combination of deep understanding of customers and flexible application of modern technology, to best meet customer needs.

Secondly

PGBank aims to apply technology to improve management capacity, business efficiency and customer experience. The digital transformation process at PGBank focuses on creating seamless, secure and tailored banking experiences for each individual need. We are committed to bridging the gap between traditional banking and digital technology, ensuring the fastest and best service for our customers, so that we can always accompany them on their journey toward success.

Thirdly

At PGBank, we believe in the motto “Happy Employees – Satisfied Customers.” A happy workforce is the foundation for delivering excellent service and customer satisfaction, paving the way for PGBank’s sustainable development. Therefore, we focus on building a positive working environment with fair career development opportunities and good care for employees.

Medium- and long-term development strategy

In 2025, the State Bank will continue to operate monetary policy proactively, flexibly, promptly, effectively, in synchronous, harmonious, and close coordination with fiscal policy and other macroeconomic policies, with an expected credit growth of the entire system of credit institutions of about 16%, with appropriate adjustments to developments and actual situations, and innovation in the mechanism for managing credit growth. Amidst forecasts

of continued global and domestic economic challenges, and in alignment with the monetary policy direction set forth by the State Bank of Vietnam, the Board of Directors has defined the operational objectives for the year, identifying 2025 as a “Foundation Year” for implementing PGBank’s development strategy for the 2025–2030 period, with a focus on the following key targets:

(i) Improvement of financial capacity

Increase charter capital from 5,000 billion dong in 2025 to an expected 15,000 billion dong in 2030 to consolidate and enhance financial capacity, meet Basel III standards and the need to expand and develop business operations.

(ii) Business activities

Achieve annual credit growth of 15–18%, with a strategic focus on retail banking, small and medium-sized enterprises (SMEs), and supply chain financing.

Take decisive actions in the resolution and recovery of non-performing loans (NPLs), ensuring the successful fulfillment of bad debt resolution targets in line with the restructuring plan associated with NPL handling at PGBank for the 2021–2025 period. Set target to maintain bad debt ratio below 2%.

Continue to aim to become a leading bank in green finance and enhance competitiveness, promote multi-service business model, modernize banking technology and payment system.

(iii) Technology

Drive comprehensive digital transformation across all banking operations by integrating advanced technologies into every aspect of

the bank’s activities, set a target to reduce over-the-counter transactions by 50% and enhance customer experience across digital channels.

(iv) Risk management and internal control

Enhance the capacity of the internal control system; strengthen inspection, compliance monitoring, process monitoring and system auditing.

Promote sustainable development by strengthening risk management capacity. Enhance and complete risk management tools in compliance with the regulations of the State Bank of Vietnam (SBV), while gradually aligning with international risk governance standards.

(v) Human resources

Perfect the organizational structure, ensure a compact, flexible, suitable and highly effective structure, develop a team of personnel with comprehensive professional capacity.

Optimally manage human resource costs and labor productivity, create a civilized, fair, and humane working environment so that employees can work with complete peace of mind and contribute to the development of PGBank.

Sustainable (environmental, social and community) development goals

Sustainable, creative, and inclusive development has become the goal of many countries around the world, and Vietnam is no exception to this global trend. Realizing the urgent need early, PGBank chose a sustainable, creative, and inclusive development strategy as an organizational development model as an objective necessity and considered this as the content and requirement throughout the development process:

- Build strategies, plans, goals... to develop the organization in a sustainable and creative way.

- Raise awareness and action of staff on sustainable, innovative, inclusive development and effectively implement Vietnam's sustainable, innovative, inclusive development goals.

- With the viewpoint that "People are the center of development, development for people, by people," PGBank enhances the quality of human resources, fundamentally and comprehensively innovates, and trains to meet the requirements of sustainable, creative, and inclusive development. The bank focuses on high-quality digital technology human resources, builds a team of personnel at all levels, especially senior managers, who possess the necessary qualities, capabilities, and prestige to meet the demands of their roles.

- Protect and improve environmental quality, proactively respond and effectively adapt to climate change, and prevent and control epidemics.



Potential risks to the achievement of PGBank's strategic objectives

Risks from the external environment

Economic context

In 2024, Vietnam's economy faces many challenges, including: geopolitical tensions, rising interest rates in major economies, slowing growth in important trading partners and natural disasters. However, Vietnam has achieved very commendable economic growth results. GDP growth rate in 2024 will reach 7.09% (exceeding the target set by the National Assembly from 6.5-7%) and far exceed the figure of 5.05% in 2023. However, 2024 also witnessed a rather serious decline in

growth drivers in the indicators: (i) Purchasing Managers' Index (PMI); (ii) Ongoing business challenges with a high ratio of market exits to new market entries; (iii) Underperformance in domestic consumption and public investment disbursement; (iv) Continued stagnation in the real estate market. This decline could put pressure on customers' borrowing needs and repayment capacity, thereby affecting credit granting activities.





Interest rate

In 2024, the average lending interest rate will decrease by 0.96% compared to the end of 2023, after decreasing by about 2.5% in 2023. The average lending interest rate in Vietnamese Dong of commercial banks for new and old loans with outstanding debt is at 6.7-9.0%/year. This could create new opportunities for PGBank in providing lending products and services at competitive interest rates, while posing challenges in maintaining profit margins and managing credit risks.

Environment and society

Gradually increase the proportion of credit capital for green industries and sectors that need priority support in the Green Project List issued by the State Bank; promote technology application, build environmentally friendly habits for customers, develop electronic transaction channels, services, and new payment methods on technology platforms. Develop internal regulations on environmental and social risk management in credit granting activities: Assess environmental and social risks in credit granting activities, incorporate environmental risk assessment as part of credit risk assessment. Through its actions and programs, PGBank demonstrates its strong commitment to the goal of sustainable development and protection of the social environment.

Technology

Lack of centralized data storage, limited IT infrastructure, and inconsistent data entry and information management across systems result in challenges in data extraction, aggregation, and analysis. Currently, large-scale credit institutions with financial capacity have developed and applied technology deeply and widely in their operations. Therefore, PGBank needs to continuously invest in upgrading its technology system to meet customer needs. At the same time, strengthening risk management, network security and data protection is extremely important to ensure safety and transparency in banking operations within its limited financial resources.

Legal factors

Following the implementation of Basel II, PGBank continues to place strong emphasis on complying with key international standards such as Basel III and IFRS 9, and has included the credit rating of the institution under Moody's standards in its strategic plan. This is both a regulatory requirement and an internal governance need that the Bank continuously strives to enhance in order to ensure operational sustainability and safety. PGBank is committed to strengthening risk management and enhancing corporate governance capacity by improving its system of regulations and risk management processes, while being ready to closely cooperate with supervisory authorities and rating agencies to ensure compliance with legal standards.

Risks on the internal environment



Lending Risk

Currently, high-tech crimes are on the rise, with malicious actors potentially using technology to falsify documents and records when conducting transactions with the bank. Inaccurate assessments, outdated evaluations, and lack of updated training in analyzing customer needs and credit appraisal may lead to high-risk lending, increasing the risk of non-performing loans and negatively impacting the bank's profitability.

Risks on debt settlement

PGBank has just implemented debt management according to a new model, at the same time with the fluctuations in personnel of participating units, debt settlement has led to the debt settlement process not being as effective as planned and the implementation according to the new model, individuals participating in debt settlement at the unit are not fully equipped with knowledge and skills, which can cause complicated problems such as delays in debt collection, insignificant costs and potential legal risks, potentially causing great losses for the bank.



Risks on technology

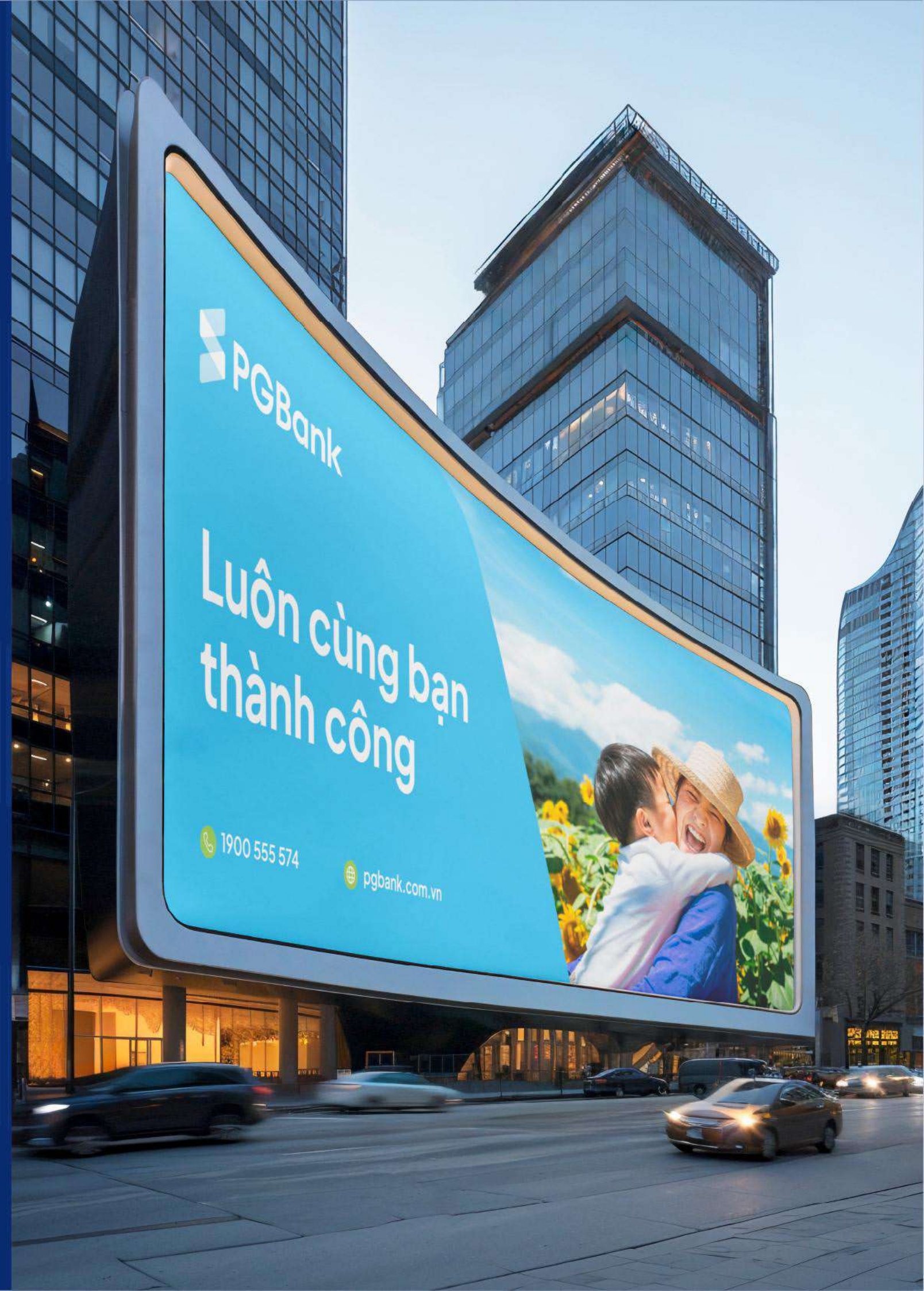
The technology system is being upgraded and may not be really stable, which can cause data security incidents and limited operations, disrupt business processes and damage the bank's reputation.

Risks on regulatory and legal compliance

Failure to comply with regulations and laws can result in large financial penalties and impact the bank's reputation, potentially resulting in serious consequences for PGBank if it fails to comply with regulations on transactions and protection of personal information.



Operational situation
during the year



Business activities

The general difficult context of the whole economy has significantly affected PGBank's business activities. However, with the efforts of the board of directors and all staff, PGBank has achieved remarkable results. Profit before tax reached VND 425 billion, up 21% compared to 2023, while meeting all growth targets in scale. Total assets achieved 115% of the plan, reaching VND 73,015 billion; credit outstanding reached 103% of the plan, amounting to VND 41,533 billion; customer deposits fulfilled 105% of the target, standing at VND 43,326 billion by the end of 2024.



Some key items are presented in the following table:

Items	In 2023	In 2024	Growth vs. 2023	Plan 2024	Implementation/ Plan in 2024
Scale					
Total assets	55.491	73.015	31,6%	63.503	115,0%
Credit balance	35.858	41.533	15,8%	40.476	102,6%
Deposits of customers	35.730	43.326	21,3%	41.230	105,1%
Profit					
Total net revenue	1.393	1.831	31,4%	2.086	87,8%
Operating expenses and credit risk provision expenses	1.042	1.406	34,9%	1.532	91,8%
Profit before tax	351	425	21,1%	554	76,8%

Unit: Billion VND, %

Financial Situation

Financial Situation

Unit: Billion VND

No.	Items	In 2023	In 2024
1	Total value of assets	55.491	73.015
2	Revenue	3.615	3.753
3	Taxes and payables (amount paid during the period)	115	97
4	Profit before tax	351	425
5	Profit after tax	280	340

Key financial targets

ĐVT: Tỷ đồng

No.	Items	In 2023	In 2024
1	Capital scale		
	Owner's equity	4.864	5.166
	In which: Charter capital	3.000	4.200
	Total assets	55.491	73.015
	Capital Adequacy Ratio	11,99%	10,01%
2	Business results		
	Customer deposit mobilization turnover	35.730	43.326
	Customer lending turnover	35.335	41.236
	Overdue debts (Group 2-5 debts) (*)	2.057	1.906
	Bad debt (*)	1.233	1.286
	Rate of overdue debt/Total debt (*)	4,35%	3,07%
	Rate of bad debt/Total debt (*)	2,61%	2,07%
3	Liquidity		
	Liquidity reserve ratio	21,68%	20,71%
	Liquidity coverage ratio over the next 30 days		
	VND	73,91%	92,95%
	USD and other foreign currencies converted to USD	40,53%	-990,86%

(*) Group 2-5 debt, bad debt, bad debt rate, overdue debt rate compared to total debt according to regulations in Circular 11/2021/TT-NHNN.

Internal operations

Building a strong corporate culture through internal operations has been one of PGBank’s key strengths over the years. In 2024, on the occasion of the Bank’s 31st anniversary, PGBank launched a series of internal cultural initiatives aimed at strengthening employee engagement and fostering unity across the organization, specifically:



3/2024



Organize the PGBank Spring Cup 2024 football tournament with the participation of 5 teams from the Northern region. This meaningful spring event promotes the spirit of exchange and unity among the youth and employees of the organization, fostering teamwork, encouraging sports participation, and improving health to better serve work performance.



As part of the meaningful activities to celebrate International Women's Day (March 8), PGBank organized a special celebration with decorations and a revamped program, which made the female employees feel incredibly excited and engaged.



To mark the 30th anniversary of the Vietnam Banking Association, as a member bank of the association, PGBank organized a series of activities to celebrate this milestone (1994-2024). The Bank proactively planned and organized the event, consistently communicating with PGBank employees across the entire system to generate enthusiasm and excitement within the PGBank family. Also during this time, a video creation contest "PGBank flies high and reaches far" was held for PGBank employees throughout the system.



Coordinate the organization of the DSC Four-Hero Cup football tournament between PGBank and member companies of Thanh Cong Group (June 2024).

Continuing the tradition of caring for the health of its officers and employees, PGBank organized the "PGBank Sports Festival 2024 – Southern Region" in Ho Chi Minh City, with more than 700 athletes and fans participating in the competition and cheering. Immediately afterward, PGBank organized the "PGBank Sports Festival 2024 – Northern Region" in Hanoi, with over 800 athletes and supporters participating in the competition and cheering.



To celebrate Vietnamese Women's Day October 20, organize the program "Vietnamese Women's Day Celebration October 20" at the Head Office, and at the same time communicate to business units across the system to respond in localities.



To celebrate the 31st anniversary of the Bank's establishment (November 13, 1993 - November 13, 2024), the online running event "Successful Steps" attracted 941 athletes to participate with 42,785km recorded.



Successfully organize the 31st Anniversary Celebration of PGBank (November 13, 2024) at the headquarters and simultaneously at all PGBank branches nationwide, employees were also given meaningful birthday gifts bearing the PGBank brand. umbrella, helmet, raincoat, etc.



In addition, there are annual activities that motivate PGBank employees, including the Year-End Party, Spring Celebration program, etc.

In 2024, with the spirit of "One team, One Goal" – united in purpose, goal, and ambition – a collective strength was created, with the "One PGBank" spirit spreading throughout the entire banking system.



Policies for employees



The quality of human resources is one of the key factors determining the development of PGBank. Therefore, PGBank always prioritizes the goal of building a professional workforce as a top objective in its development strategy. As of December 31, 2024, the total number of employees in the Bank is 1,921 people. The specific labor structure is as follows:

Criteria	As of December 31, 2024
TOTAL QUANTITY	1.921
Postgraduate	160
University	1.532
College	119
Elementary and intermediate training	31
Other	79
Non-contractual labor	8
Long-term contract	1.795
Short-term contract	118

Working mode

- Working time**
The company operates a working regime of 8 hours/day and 48 hours/week.
- Leaves, public holidays, New Year holidays**
The Employees are entitled to public holidays and Tet holidays according to State regulations.
- Sick leave, maternity leave**
The Employees on sick leave and maternity leave will receive sick pay paid by the Social Insurance Fund according to the Labor Law.
- Working conditions**
The company always tries to create the best working conditions for employees, providing them with the necessary equipment to work most effectively.

Recruitment policy

PGBank always considers people to be the most important factor in every organization. Therefore, the Bank always focuses on human resource policy, in which recruiting talented people, training and developing human resources, considering human factor as the main focus are the top goals of PGBank. Taking "happy employees, satisfied customers" as the guiding principle in corporate culture, PGBank is committed to building a working environment where:

- Professionalism**
A well-structured training system, equal development opportunities, and attractive remuneration policies
- Success**
Encouragement of creativity and breakthroughs, emphasis on proactiveness and a strong sense of responsibility
- Sustainability**
A strong corporate culture foundation aimed at long-term development
- Standard**
Commitment to professional ethics and provision of high-quality service

Training policy

The rapid development of the 4.0 Industrial Revolution leads to the inevitable need to develop and improve the quality of human resources. Recognizing this, PGBank always prioritizes training and human resource development, considering it one of the key foundational tasks to maintain competitive advantages, meet the growing demands of the market, and thereby foster employee commitment to the Bank.

Salary, allowance and welfare policy

The Bank always implements labor policies to ensure the health, safety and welfare of employees. Although facing many challenges, employee policies and benefits continue to be improved, ensuring competitive salaries and bonuses compared to other organizations in the same industry. In addition, PGBank employees are entitled to full benefits such as: regular health examination, phone allowances, travel allowances, lunch allowances, company trips, etc.

Evaluation, promotion and development policy

The bank focuses on building a clear career progression roadmap to attract talent. The career progression roadmap for employees is also a tool to increase motivation and work performance. When employees know that their efforts will be recognized and rewarded fairly, they will be more motivated to work hard, achieve goals, and contribute to the success of the organization. In addition, the Bank also creates a healthy working environment. Employees clearly understand the goals and what they need to do. As a result, individuals and teams will compete positively to "reach the finish line early," boosting work performance and fostering a learning cur



Shareholder structure, changes in owner's equity

Shares (as of December 31, 2024)

Total number of shares	Type of shares	Number of freely transferable shares	Number of shares restricted from transfer
420.000.000	Ordinary shares	420.000.000	0

Shareholder structure (December 31, 2024)

No.	Shareholders	Quantity (of people)	Number of shares (shares)	Value in parvalue (VND)	Rate (%)
1	Domestic shareholders	9.363	419.846.400	4.198.464.000.000	99,96%
	Institutional shareholders	41	169.801.690	1.698.016.900.000	40,43%
	Individual shareholders	9.322	250.044.710	2.500.447.100.000	59,53%
2	Foreign shareholders	3	153.600	1.536.000.000	0,04%
	Institutional shareholders	0	0	0	0
	Individual shareholders	3	153.600	1.536.000.000	0,10
Total		9.366	420.000.000	4.200.000.000.000	100,00%

Major shareholders (owning 5% or more of equity) as of December 31, 2024

No.	Subjects	Number of CP	Ownership ratio
1	Cuong Phat International Joint Stock Company	56.873.535	13,54
2	Vu Anh Duc Trading Joint Stock Company	56.110.919	13,36
3	Gia Linh Import Export and Trade Development Company Limited	55.014.425	13,10

- Changes in owner's capital: None
- Treasury stock transactions: None

Other securities

Privately issued bonds PGB12401

Issuing Organization	: Prosperity and Growth Commercial Joint Stock Bank
Bond code	: PGB12401
Bond term	: 2 years
Date of issue	: December 30, 2024
Maturity date	: December 30, 2026
Issuance volume	: VND 1,000,000,000,000 (One trillion dong)
Number of bonds issued	: 1,000 (One thousand)
Bond par value	: VND 1,000,000,000 (One billion dong)/Bond
Currency for issuance and payment of bonds	: VND
Bond form	: Journal entry
Nominal interest rate	: Fixed 5.8%/year
Bond Type	: Bonds are non-convertible, unsecured, unwarranted and not a secondary debt of the Issuing Organization

Environmental and social impact report



Compliance with the law on environmental protection



The State Bank issued Circular No. 17/2022/TT-NHNN guiding the implementation of environmental risk management in credit granting activities of credit institutions (CIs) and foreign bank branches. The Circular clearly stipulates the principles of environmental risk management in credit granting activities. Accordingly, credit institutions shall manage environmental risks in credit granting activities to ensure compliance with legal provisions on credit granting and credit risk management in banking activities.

To protect the environment in development activities, each sector and locality has been required to formulate development plans up to 2020 with a vision to 2030. In particular, energy and mineral development plans are detailed down to each specific project. PGBank is always aware of and highly values the importance of environmental protection, and strictly complies with the law, such as:

Seriously implement the SBV's directive on promoting green credit growth and managing environmental and social risks.

Conduct environmental risk assessment in credit granting activities for investment projects to determine credit risks, determine credit granting conditions of credit grants and manage credit risks for customer credit grants.

Organize the implementation of environmental risk assessment of investment projects or use the results of environmental risk assessment of investment projects from organizations with the function of providing environmental risk assessment services or from other credit institutions according to the agreement in the service provision contract.

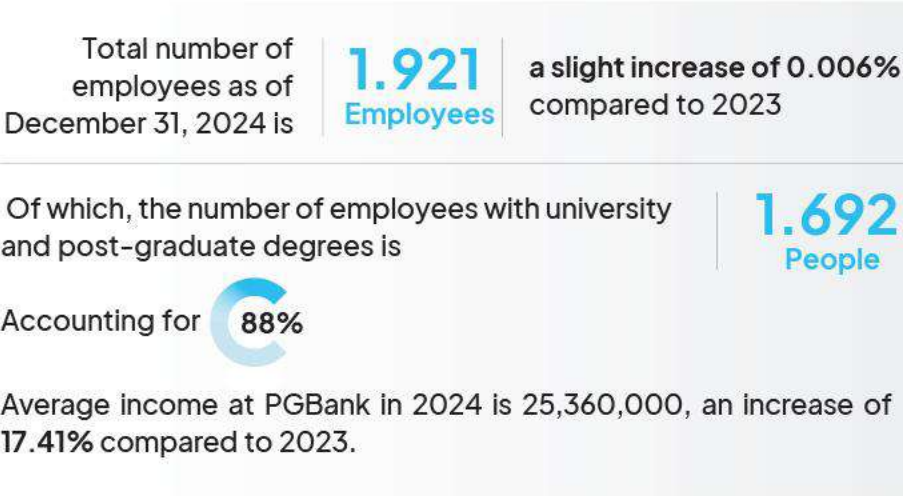
When evaluating investment projects with environmental risks in credit granting activities, PGBank will negotiate with customers to add to the credit granting agreement measures that customers commit to implementing to limit environmental risks in credit granting activities.

Customers are responsible for providing information for environmental risk management in credit granting activities as required by credit institutions and are responsible for the accuracy of the information provided.

Actively deploy information and communication work on environmental and social risk management to all staff through training and propaganda courses.

Employee-related policies

Number of employees, average salary for employees



Labor policy to ensure the health, safety and welfare of employees

PGBank always takes care of employees to ensure their health and work safety through participation in social insurance, health insurance, unemployment insurance, and occupational accident insurance in accordance with the law and participation in the health insurance package of Petrolimex Insurance Corporation to increase insurance benefits for employees compared to normal regulations.

On holidays, Tet holidays, birthdays, weddings or major anniversaries of the year (March 8, October 20, April 30, September 2, New Year, Lunar New Year...), PGBank

often has small gifts in cash or kind to express gratitude and honor and encourage staff. In addition, on Children's Day, Mid-Autumn Festival, Christmas, etc. PGBank regularly organizes art programs and gives gifts to children of staff, organizes honor programs and has rewards for children with excellent academic achievements to encourage the spirit of children of staff. On the occasion of War Invalids and Martyrs Day (July 27th) each year, PGBank organizes visits and expresses gratitude to the families of employees who have contributed to the revolution.



Training activities for the employees

In 2024, PGBank will continue to promote training and human resource development activities to improve professional capacity, working skills and adaptability to market changes. On average, each employee receives approximately 16 hours of training per year, with management-level staff receiving around 25 hours of training and staff-level employees receiving about 14 hours of training annually.

During the year, PGBank deployed 155 training courses across the system, attracting more than 17,000 participants (an increase of 49% compared to 2023). Training programs focus on key content groups, including:

- Enhancement of professional expertise:** Training courses for credit officers and customer service officers with a focus on products, processes, regulations, appraisal capabilities and risk management.
- Development of management and leadership skills:** Training programs help management teams improve their operational capabilities, manage sales activities and improve service quality.
- Compliance training:** PGBank pays special attention to implementing courses on Information Security Awareness, Anti-Money Laundering and Terrorist Financing, Anti-Fraud, Raising Awareness of Business Continuity Management... to ensure strict compliance with legal regulations and the Bank's risk management requirements.

Every year, PGBank organizes knowledge assessment programs after probation and periodic assessments for groups of officers in Personal Customers, Corporate Customers, Customer Service and Credit Operations. The assessment results help the Bank accurately determine the capacity of its staff, thereby developing appropriate advanced training plans, and closely coordinating with Headquarters units to train and develop staff according to strategic directions.

2024 marks an important step forward in applying technology to training when PGBank officially deploys the E-learning system across the bank. This platform offers a flexible learning solution, enabling staff to access knowledge anytime, anywhere, and on various devices. The implementation of E-learning not only optimizes training activities but also enhances learning effectiveness, allowing employees to proactively develop their personal competencies and contributing to the improvement of the bank's human resource quality.



The system of training regulations and policies is regularly updated to ensure compliance with strategic orientation and meet the diverse learning needs of employees.

Through diverse training activities and a systematic human resource development strategy, PGBank is committed to continuing to invest in human resources to enhance competitiveness, meet the requirements of sustainable development and increase value for customers and shareholders.

Report on responsibility to local communities

Social welfare activities play an important role in improving the quality of life for people in various regions. PGBank has actively responded to and coordinated with local authorities in researching and issuing policies to promote support for localities in developing essential infrastructure, thereby improving the material living conditions of the people. In addition, PGBank has made timely and practical contributions to various projects such as building "houses of love", scholarship funds, and gratitude programs. Specifically:

- Participated in the clean water pipeline construction project for children in mountainous areas of Quang Ngai Province, initiated by The Five in March 2024 (Dong Do)
- Participate in the humanitarian blood donation "red blood drops, red oil drops" launched by Petrolimex Group;
- Support people affected by storm No. 3 in the Northern provinces;
- Mobilize employees to participate in voluntary blood donation organized by the State Bank of Vietnam, Dong Thap Province Branch;
- Support the program "Tet Reunion – Spring of Sharing" 2024 organized by the Labor Federation of Dong Thap Province (January 11, 2024);
- Provide financial support for young citizens participating in military service in 2024 – People's Committee of Ward 3, Cao Lanh City (January 17, 2024);
- Support the reunion event celebrating the 55th anniversary of the Cao Lanh Student Special Task Force (March 12, 2024);

- Contribute to the organization of the General Meeting held by the Vietnam Fatherland Front Committee of Ward 2, Sa Dec City (March 12, 2024);
- Support year-end rewards for students of Chu Van An Primary School (March 19, 2024);
- Support the Fund for disadvantaged students of Tan Phuoc 1 Primary School (March 26, 2024);
- Sponsor the "Role Models in Learning" program in Hong Ngu District (April 1, 2024);
- Donate Great Solidarity House to a disadvantaged household in need of housing in Dong Thap province;
- Award the program "Lighting up dreams" to Nguyen Quang Dieu School (July 18, 2024);
- Support Dong Thap Provincial Labor Federation (July 2024);
- Contribute to the "For Community Development" Scholarship Program at Dong Thap Community College (September 11, 2024);
- Support Nguyen Sinh Sac Scholarship Fund (November 25, 2024);
- Organize humanitarian blood donation according to the Plan of Banking sector in Can Tho City for the first time in 2024;
- Support Can Tho City's education promotion fund with 500 notebooks;
- Support and contribute funds for afforestation;
- Engaged in charitable activities through the charity rice kitchen run by the Vung Tau Branch;
- Launch a donation campaign and present 200 gift packages to Agent Orange-affected children on the occasion of the Mid-Autumn Festival at the PGBank Vung Tau Branch.
- Provide support to Northern compatriots affected by Typhoon Yagi through the Vietnam Fatherland Front Committee of Khanh Hoa Province;
- Contribute to the fundraising program for the Dien Bien Phu Victory.



Report and assessment of the Board of Management



Evaluation on production and business performance

Increase in total assets and owner's equity, with effective capital adequacy and safety

Total assets as of December 31, 2024 reached VND 73,015 billion, an increase of 31.6% compared to the end of 2023, completing 115% of the plan.

Equity reached VND 5,166 billion, an increase of 6.2% compared to the end of 2023. Capital adequacy ratio (CAR) is regularly maintained at a high level (over 10%) throughout 2024.

73.015	Increase	115%
Billion	31,6%	Plan

Strong growth in capital mobilization with relatively stable funding sources

By December 31, 2024, total mobilized capital will reach VND 66,685 billion, an increase of 33.9% compared to the end of 2023, completing 118% of the plan. Of which, customer deposits reached VND 43,326 billion, up 21.3% compared to the end of last year. High stability of deposit funding, with retail deposits-the most stable funding source-accounting for 69% of total customer deposits by the end of 2024.

66.685	Increase	118%
Billion	33,9%	Plan

Credit quality was well controlled; debt recovery efforts were actively implemented

The non-performing loan (NPL) ratio at the end of 2024 stood at 2.07%, a significant decrease from 2.61% at the end of the previous year. In 2024, the resolution of non-performing loans (NPLs) continued to be strongly promoted through various measures such as utilizing risk provision funds, selling debts to VAMC, asset resolution, debt recovery, and more.



Credit growth exceeding targets

By December 31, 2024, the total outstanding credit balance of the whole bank reached VND 41,533 billion, an increase of 15.8% compared to the end of the previous year, completing 103% of the plan. Of which, corporate customer credit reached VND23,792 billion, up 13%, accounting for 57% of total outstanding credit, while retail loans reached VND17,742 billion, up 19.9%, accounting for 43% of total outstanding credit.

41.533	Increase	103%
Billion	15,8%	Plan



Service operations

Payment operations remain stable. In 2024, the total number of domestic electricity payment transactions reached 426,595, with a total transaction value of approximately VND 245,421 billion. The number of outbound and inbound electricity payment transactions were 199,275 and 227,320 respectively, with corresponding values of VND 136,620 billion and VND 108,800 billion. Using the centralized electricity processing module at HO helps to automatically process outgoing and incoming money transfers with a processing rate of about 90% of total payment orders. The amount of electronic payments via CITAD channel - interbank electronic payments accounts for 87% of total transactions. Diverse payment channels with other credit institutions

such as VCB, BIDV, Vietinbank help make payment quality faster, more flexible and more effective.

Overseas remittance transactions with a quantity of 1,445 transactions with a value of over 69.2 million USD, and overseas remittance transactions with a quantity of 2,412 transactions with a value of 176.2 million USD. Total fees collected from international money transfer services reached about VND 2.4 billion.

For import services, in 2024, PGBank issued import L/Cs with a total value of 223 million USD, issued international guarantees with a value of nearly 2 million USD. Payment of documents under import L/C reached 207 million USD, payment value thanks to import collection sent by foreign banks to PGBank for collection reached 2 million USD.

For export services, the total export payment value reached nearly 27.7 million USD, of which export L/C payment reached 7.8 million USD, export collection payment reached 19.9 million USD.



Profit did not meet the target; however, it showed a significant growth compared to the previous year

Pre-tax profit in 2024 reached VND 425 billion, achieving 77% of the set plan. However, compared to the 2023 results, PGBank's pre-tax profit still grew by over 21%.

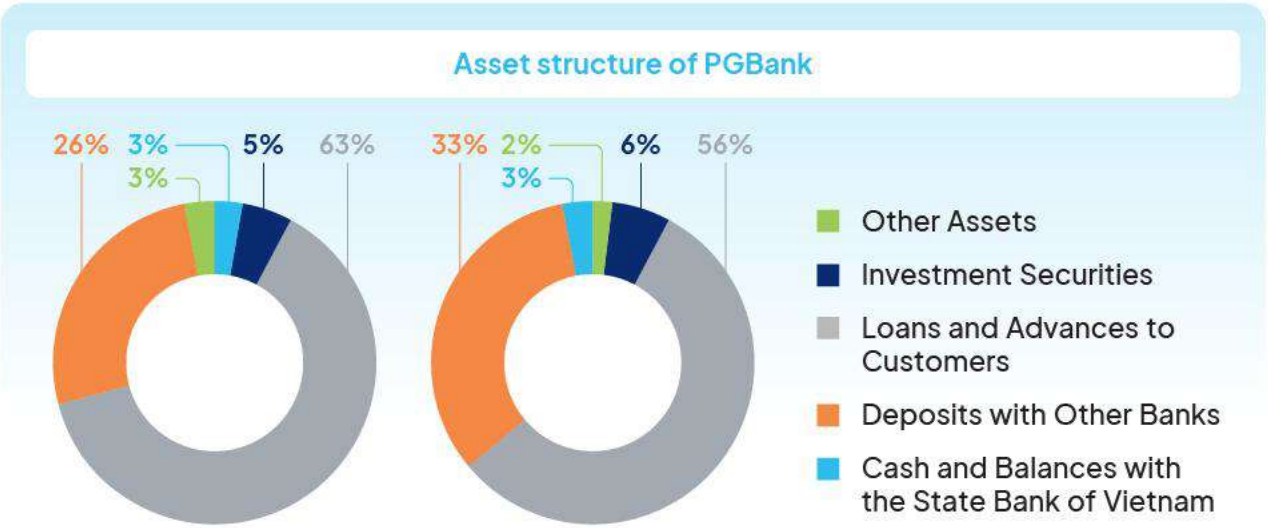
In 2024, the Return on Average Assets (ROA) reached 0.7%, the Return on Average Equity (ROE) reached 8.4%, and the Net Interest Margin (NIM) stood at 2.7%.

Financial Situation

Assets situation

Total assets as of December 31, 2024 reached VND 73,015 billion, an increase of VND 17,524 billion, equivalent to an increase of 31.6% compared to the end of 2023. Earning assets accounted for 97.3% of total assets at the end of 2024.

In the asset structure, Customer Loans is still the item with the largest proportion, followed by Deposits at other credit institutions and Securities Investment. Other assets account for a small proportion.



Total outstanding customer loans (including debt purchases) as of December 31, 2024 reached VND 41,533 billion, up 16% compared to the end of 2023, accounting for 57% of total assets. Compared to the end of 2023, the loan structure by term has shifted towards increasing the proportion of short-term loans and reducing the proportion of medium and long-term loans. Specifically, short-term debt balance at the end of 2024 reached VND 23,538 billion, an increase of VND 4,389 billion compared to the end of 2023, accounting for 57% of outstanding loans (end of 2023: 54%). Loans in VND continued to account for the majority, making up 99% of total outstanding loans by the end of 2024.

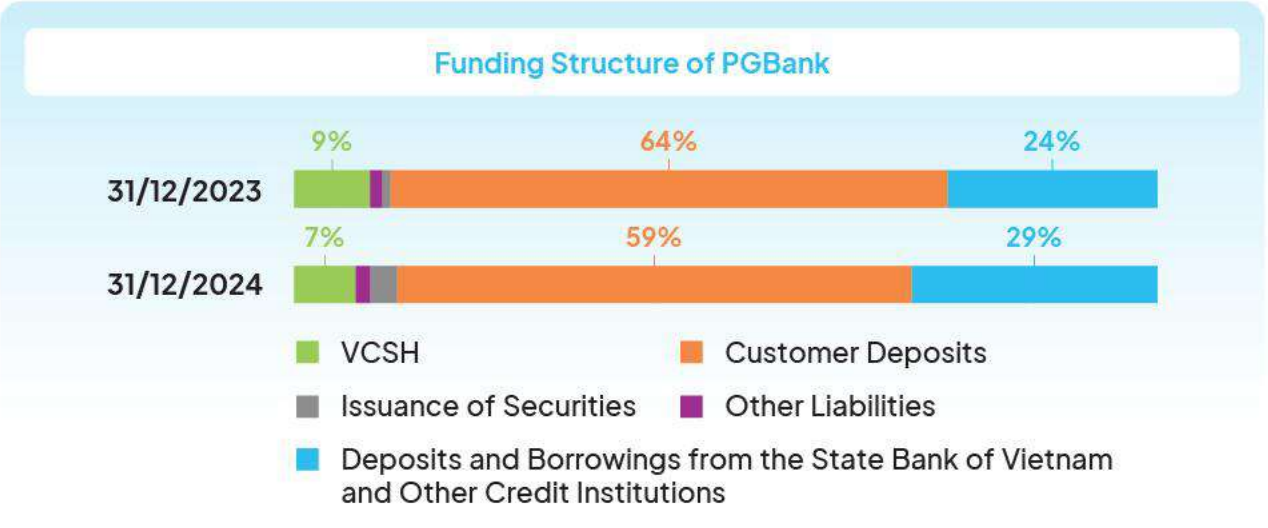
Deposits at other credit institutions of PGBank as of December 31, 2024 reached VND 23,802 billion, an increase of 66.8% compared to the end of 2023, accounting for 33% of total assets. Deposits at other credit institutions were made with prudence to ensure safety. All deposit accounts remained classified as performing loans, with no overdue debts arising from deposit activities at other credit institutions.

Securities investment portfolio at the end of 2024 reached VND 4,676 billion, an increase of 47.3% compared to the end of 2023. PGBank's investment activities are safe, with no overdue investments.



Status of capital sources

In the capital structure at the end of 2024, customer deposits accounted for the largest proportion (nearly 60%), followed by deposits and borrowings from the interbank market (around 30%), 7% from owner's equity, and other items contributed a minor proportion (less than 5%).



As of December 31, 2024, customer deposits reached VND 43,326 billion, accounting for 59% of total capital, an increase of 21.3% compared to the end of 2023. Of which, individual deposits reached VND 30,070 billion, accounting for 69.4% of total customer deposits. Demand deposits reached VND 6,113 billion, equivalent to CASA ratio of 14.1%.

In addition, in 2024, PGBank will also gradually diversify its funding sources by promoting funding channels through the issuance of Valuable Papers. As of December 31, 2024, the Bank has mobilized VND 2,280 billion through this mobilization channel.

Deposits and loans from the State Bank and other credit institutions as of December 31, 2024 reached VND 21,080 billion, an increase of 55.4% compared to December 31, 2023, accounting for 29% of total capital.

Equity at the end of 2024 reached VND 5,166 billion, an increase of 6.2% compared to the end of 2023, accounting for 7% of total capital. Of which, charter capital increased from VND 3,000 billion to VND 4,200 billion from accumulated undistributed profit after tax and reserve fund to supplement charter capital.

Improvements in organizational structure, policies, management

The Law on Credit Institutions 2024 shall take effect from July 1, 2024. PGBank has completed and supplemented regulations, procedures and business policies in accordance with current operations and meeting the regulations of the State Bank.

Future development plan

Future development plan

Implementation of charter capital increase: Speed up the capital increase progress, completing the capital increase target from 4,200 billion to 5,000 billion as approved by the State Bank. Continue to propose increasing capital to 7,000 billion according to the restructuring project.

Organizational model improvement, Human resource quality enhancement, Process/regulation reform, Network development and Information technology advancement:

i Changes to procedures and regulations

- Streamline functional departments, merge departments with similar functions.
- Business process automation:** Apply RPA (Robotic Process Automation) technology in transaction processing and credit approval. Apply e-KYC technology (online customer identification) to optimize the process of opening accounts and granting credit online.
- Standardize operating procedures at the Branch:** Deploy Standard Operating Procedures (SOP) for operations at the Branch. Simplify loan application processing steps, reducing processing time from 7 days to 3-5 days.
- Set up a quick response mechanism:** Build an internal support center at the headquarters to resolve issues arising from the Branch within 24 hours.

ii Review and upgrade regulations

- Periodically review internal regulations: Perfect the synchronous mechanism to motivate employees, optimize human resource policies: Build a 2-step recruitment process, improve performance evaluation regulations (KPI) associated with monthly/quarterly/annual performance bonuses...
- Review, update regulations and standardize credit management and risk management processes to suit the market and new legal regulations.

iii System and network development

- Review, evaluate, and restructure weak branches/transaction offices
- Develop a proposal to open a new network including Branches and Transaction Offices

iv Application of technology in organizational management

- Develop a centralized management system (Core Banking Advanced):** Seamless connection between headquarters and branches. Head office directly monitors activities at Branches in real time.
- ERP (Enterprise Resource Planning) software application:** Integrate human resources, finance, credit, and asset management on a single platform
- Develop Smart Management Dashboard:** Provide quick reports on Branch performance, credit risk and financial metrics.

v Improvement of management system

- Build and improve the financial management system: Standardize financial accounting procedures, procedures for building, managing and controlling PGBank's operating budget.

Explanation of the Board of Management on the Auditor's Opinion

Deloitte Vietnam Audit Company Limited fully accepts the Financial Statements for the fiscal year 2024 of PGBank and has no conflicting opinions with the Board of Directors of PGBank.

IV

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Board of Directors' Evaluation on the Bank's Operations



Board of Directors' Evaluation on Various Aspects of the Bank's Operations

With the direction and supervision of the Board of Directors, the initiative and effectiveness of the Board of Directors, and the efforts and determination of all staff, the Bank has achieved encouraging results. Specifically, the Bank's business results in 2024 are as follows:

Unit: Billion VND

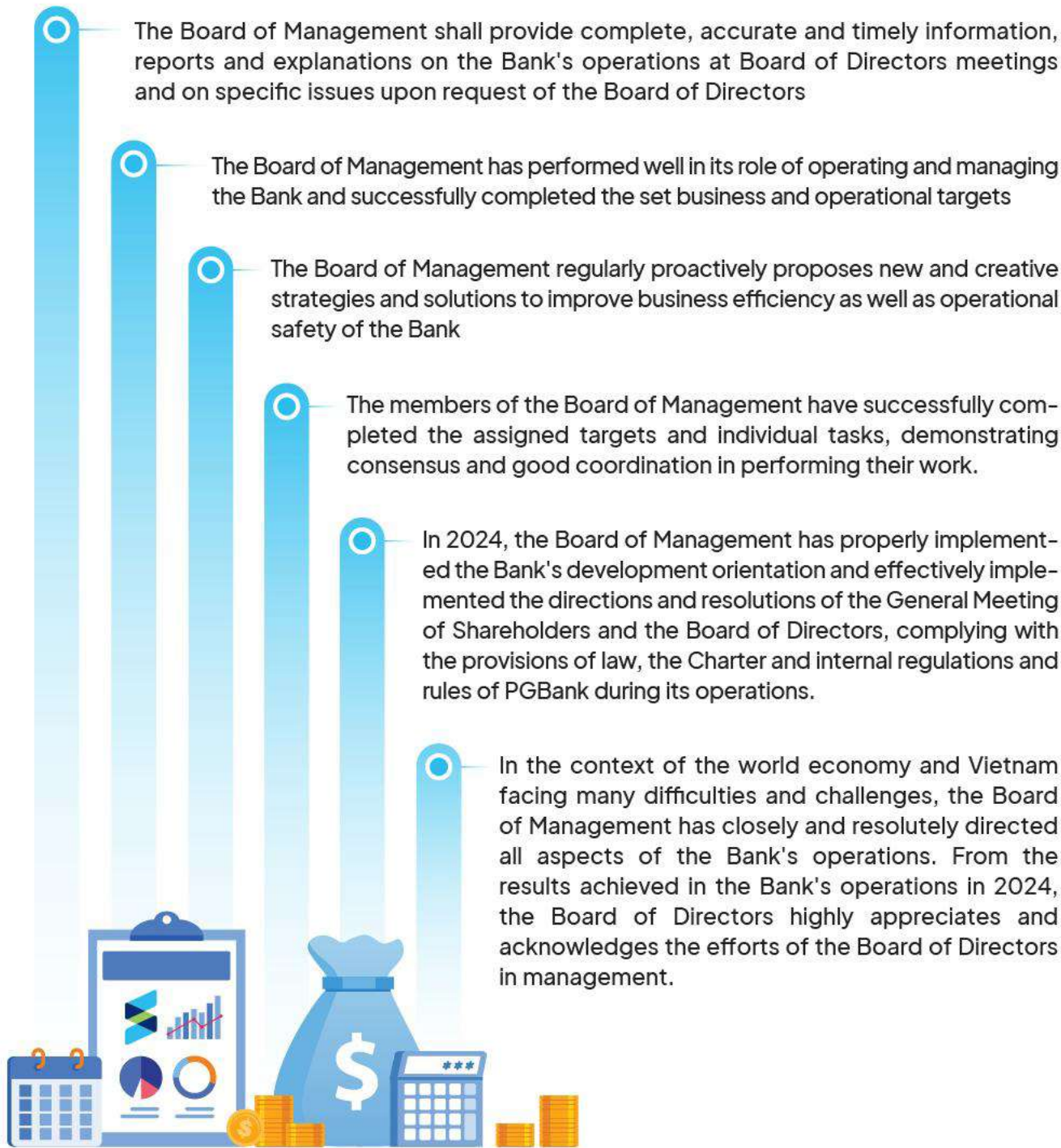
No.	Items	Implementation in 2024	Plan in 2024	Implementation/Plan in 2024
1	Total assets	73.015	63.503	115%
2	Total outstanding credit	41.533	40.476	103%
3	Total mobilization	66.685	56.530	118%
4	Total income	1.831	2.086	88%
5	Operating & Contingency Costs	1.406	1.532	92%
6	Profit before tax	425	554	77%
7	Charter capital	4.200	5.000	84%

In 2024, PGBank has synchronously deployed strategic solutions to improve capacity and efficiency in all aspects of the bank's operations, from product and service portfolios, asset quality, to governance, financial management, and internal audit and inspection and supervision. Regarding credit activities, the Board of Directors requested to review customers with high-risk assets, and direct to focus on

implementing measures to recover bad debts, off-balance sheet debts, and debts sold to VAMC according to the roadmap to control credit quality and handle bad debts below 3%. In addition, the Bank also focuses on investing in IT, implementing a digital transformation program with many new products and new applications to better meet customer needs and improve operational efficiency.

Evaluation of the Board of Directors on the operation of the Board of Management

In the process of performing the task of directing and supervising the activities of the Board of Management, the Board of Directors has the following assessments:



Business Plan in 2025

Based on the forecast of the business environment in 2025 and the assessment of the Bank's resources, the Board of Directors plans to submit to the General Meeting of Shareholders for approval the 2025 business plan with the following basic targets:

Unit: Billion VND, %

Items	Implementation in 2024	Plan 2025	Increase/decrease (+ / -)	Increase/ decrease (%)
Total assets	73.015	86.726	13.711	18,8%
Total outstanding credit ^(*)	41.533	48.653	7.119	17,1%
Total mobilization	66.685	78.449	11.763	17,6%
Total income	1.831	2.462	631	34,5%
Operating and contingency costs	1.406	1.746	340	24,2%
Profit before tax	425	716	291	68,4%
Charter capital	4.200	5.000	800	19,0%

(*) Credit growth rate will be adjusted if there is an adjustment from the State Bank.



V

Bank Governance



Hội đồng Quản trị

Committees of the Board of Directors



Risk Management Committee

The Risk Management Committee has advised the Board of Directors in promulgating procedures and policies related to risk management and internal assessment of capital adequacy in banking operations in accordance with the law and the Bank's Charter. The Risk Management Committee analyzes and issues warnings about the bank's safety level against potential

risks and preventive measures against these risks in the short and long term. The Committee also reviews and evaluates the suitability and effectiveness of the bank's current risk management processes and policies to make recommendations and proposals on changes to processes, policies and operational strategies.

Human Resources Committee

The Human Resources Committee has advised and consulted the Board of Directors on the bank's human resource development strategy and model, in accordance with the bank's scale of operations and business strategy; at the same time, advised the Board of Directors on handling personnel issues arising during the process of carrying out the procedures for election, appointment, dismissal, and removal of positions under the authority of the Board of Directors. The Human Resources Committee also studies and advises the Board of Directors in promulgating internal policies and regulations on attracting, selecting and recruiting personnel; planning, training and developing staff; building and implementing the bank's remuneration, salary, remuneration, rewards and discipline regimes.

Other Councils/Committees in charge of advising and assisting the Board of Directors

The Risk Management Council shall approve or decide on the classification of debts, off-balance sheet commitments, provisioning and use of provisions to handle credit risks in the entire system; approve the system-wide summary report and the results of debt recovery using provisions to handle risks, including the results of handling secured assets and clearly define the basis for approval; decide or approve measures to recover debts using provisions

to handle risks in the entire system, including handling secured assets.

The Risk Management Council meets upon convocation by the Chairman of the Risk Management Council to perform tasks within the functions of the Risk Management Council in accordance with the Organization and Operation Regulations issued by the Board of Directors.

Operation of the Board of Directors



In 2024, PGank's Board of Directors held 08 meetings of the Board of Directors, collected written opinions from Board of Directors members to resolve issues under the Board of Directors' authority and issued 309 Resolutions of Board of Directors.

Direct the implementation of the Restructuring Plan associated with debt settlement 2021-2025. Resolutely handle existing problems, violations, and potential risks in banking operations. Promote bad debt handling, improve credit quality, prevent and minimize new bad debt. Control and handle bad debt, potential debt, bad debt, debt sold to VAMC. By the end of 2025, PGBank's on-balance sheet bad debt ratio, bad debt sold to VAMC that has not been processed or recovered, and potential bad debt will remain below 3%.

Direct the successful organization of the 2024 Annual General Meeting of Shareholders and the 2024 Extraordinary General Meeting of Shareholders. Accordingly, the PGBank General Meeting of Shareholders approved a number of important contents such as approving the 2024 business plan, approving the dismissal of a number of members of the Board of Directors for the 2020-2025 term, approving the amendment of the Charter, approving the plan to increase the Charter capital, approving the election of additional personnel to the Board of Directors for the 2020-2025 term, approving the change of the headquarters location of PGBank and a number of other contents.

Direct/orient the completion of the system of procedures/regulations in accordance with the provisions of the Law on Credit Institutions 2024, decide to officially issue documents to update/amend internal regulations such as Regulations on capital contribution, share purchase, Regulations on internal credit rating system, Regulations on information disclosure, Regulations on debt purchase and sale, Regulations on credit approval, Regulations on deposits, Regulations on finance, Regulations on lending, Regulations on corporate bond purchase and sale, Regulations on consulting activities. The amended and supplemented content complies with the provisions of the Law on Credit Institutions 2024 and relevant legal documents.

Continue to direct the implementation of completing procedures to request approval from the State Bank for the establishment of branches in Thai Nguyen, Nghe An, Thanh Hoa, Dong Anh, Ninh Binh. At the same time, through repairing and relocating PGBank branches and transaction offices to convenient locations with large premises, creating a professional and modern brand image for customers and partners.

Improve high-level human resource management, improve employee benefits, promote capacity development, seek, attract and develop talent. In 2024, the Board of Directors approved the appointment of a General Director and appointed 03 additional Deputy General Directors, specifically, appointing Mr. Nguyen Van Huong as General Director, appointing Mr. Tran Van Luan as Permanent Deputy General Director; appointing Mr. Le Van Phu as Deputy General Director in charge of risk management, credit re-appraisal and approval, debt processing and collection; appointing Mr. Nguyen Trong Chien in charge of Operations, valuation, and finance.

Organize monthly/extraordinary meetings of Board of Directors to hear reports from the Board of Directors on operational status in addition to maintaining a monitoring regime according to authority decentralization.

Direct periodic/unscheduled inspections, reviews, and assessments of business units' operations, investigate difficulties and obstacles, and provide timely guidance for the operations of each branch.

Direct the Executive Board to implement the Government's 3 breakthrough solutions: Perfect institutions (reviewing processes and regulations; shortening processing time, increasing efficiency); develop human resources (building motivational mechanisms, training human resources); developing infrastructure (focusing on implementing IT projects, synchronously implementing facilities across the system).

PGBank's Board of Directors fully implements basic governance principles including:

- — Comply with relevant provisions of law and the Bank's Charter
- — Ensure effective governance structure and operating model
- — Ensure fair treatment between shareholders, respect and ensure the legitimate rights and interests of shareholders and related parties
- — Ensure transparency in PGBank's operations.

Activities of independent member of the Board of Directors



Independent members of PGBank's Board of Directors, Mr. Dao Quoc Tinh and Ms. Cao Thi Thuy Nga, always ensure objectivity and independence when participating in decision making. In 2024, Mr. Dao Quoc Tinh and Ms. Cao Thi Thuy Nga are assigned to be in charge of the following activities:

Supervise, manage and support PGBank's operational areas related to (internal and independent) auditing

Ms. Cao Thi Thuy Nga participates in the Risk Management Committee as a Member of the Committee.

Perform other rights and duties as assigned by the Board of Directors, the Bank's Charter, and legal regulations.

Board of Supervisors

Supervisory activities of the Board of Directors

The Board of Supervisors has supervised the Board of Directors in organizing the implementation of the Resolutions of the 2024 General Meeting of Shareholders (GMS) according to the roadmap.



The Board of Supervisors has supervised the results of the Board of Directors' supervision of senior management with the General Director on the implementation of the Resolutions of the General Meeting of Shareholders and the Board of Directors; supervised the development and implementation of the internal control system, the development and implementation of risk management policies through internal supervision and auditing activities; supervised the approval and implementation of investment projects to purchase and sell fixed assets, contracts, and other transactions of the Bank in accordance with the provisions of the Law on Credit Institutions 2024.



Supervise the Board of Directors in organizing the revision of recommendations of the State Bank Inspectorate, independent auditors, internal auditors and other external State inspection agencies related to the activities and responsibilities of the Board of Directors.

The Board of Supervisors participates in direct meetings of the Board of Directors, receives all documents and files submitted to the Board of Directors during direct meetings or obtains written opinions from the Board of Directors to grasp and give opinions on compliance with legal regulations for the contents submitted under the approval authority of the Board of Directors.

The results of internal audit activities and recommendations of the Board of Supervisors are sent to the Board of Directors so that the Board of Directors can grasp the detected issues and direct implementation of issues under the Board of Directors' authority. The BOS's support department is the Internal Audit Department, which monitors the implementation of the BOS's and Internal Audit Department's recommendations to the Board of Directors.

Supervisory activities of the Board of Supervisors towards the General Director

- Monitor the performance of senior management supervision of the General Director and the System Divisions/Departments/Business Units through internal audit activities
- Supervise the General Director in amending recommendations of the State Bank Inspectorate, independent auditors, internal auditors and other external State inspection agencies related to the activities and responsibilities of the General Director.
- Through internal audit activities to supervise the organization of business activities, management, operation, and risk management for Units/individuals managed by the General Director; Appraise the Bank's 6-month and annual financial statements.
- Attend and comment (if required) at Executive Board meetings or other meetings of the Executive Board.
- The results of internal audit activities and recommendations of the Board of Supervisors are sent to the General Director so that the General Director can grasp the detected issues and direct implementation of issues under the General Director's authority. The BKS's support department is the Internal Audit Department, which monitors the implementation of the BKS's and Internal Audit's recommendations to the CEO.

Coordination of activities between the Board of Supervisors, the Board of Directors, the General Director and other management positions

- The coordination mechanism between the Board of Supervisors, the Board of Directors and the General Director ensures full compliance with the provisions of law and internal regulations of PGBank, for the common goal of sustainable development of PGBank.
- The Board of Directors, Board of Supervisors, and General Director regularly coordinate activities according to internal regulations on coordination mechanisms in the process of performing their functions and duties.
- The Board of Supervisors regularly attends meetings of the Board of Directors and meetings assigned by the General Director. The Board of Supervisors is provided with information and documents on the management and operation of the Board of Directors and General Director.

Through control activities, the Board of Supervisors has provided opinions and recommendations to the Board of Directors and General Director on measures to strengthen control and risk management, ensuring compliance with legal provisions and internal regulations. The opinions and recommendations of the Board of Supervisors have been considered by the Board of Directors and General Director, and directed to be implemented by relevant Units.

VI

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**Transactions, remuneration
and benefits of the Board
of Directors, Board of
Supervisors and Board
of General Directors**



In 2024, PGBank paid salaries and remuneration to the Board of Directors, Board of Supervisors and Board of General Directors as follows:

No.	Division	Salary, remuneration
1	Board of Directors	9.181.161.818
2	Board of Supervisors	3.595.320.000
3	Board of Management	9.239.561.154
TOTAL		22.016.042.972

Salaries and remuneration for the Board of Directors and the Board of Supervisors will be settled after approval by the general meeting of shareholders.

Transaction of internal shareholders: None

PROSPERITY AND GROWTH COMMERCIAL JOINT
STOCK BANK
LEGAL REPRESENTATIVE



CHỦ TỊCH HỘI ĐỒNG QUẢN TRỊ
Phạm Mạnh Thắng



VII


Financial statements



Opinion of the auditor

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Bank as at 31 December 2024, as well as the results of its operations and its cash flows for the year then ended in accordance with Vietnamese accounting standards and accounting regimes applicable to credit institutions and the relevant legal regulations on preparation and presentation of financial statements.

Audited financial statements

 Scan attached





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✉ | dvkh@pgbank.com.vn 🌐 | www.pgbank.com.vn

**PROSPERITY AND GROWTH COMMERCIAL
JOINT STOCK BANK**
(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

PROSPERITY AND GROWTH COMMERCIAL JOINT STOCK BANK

16th, 23rd and 24th Floor, MIPEC Tower

229 Tay Son Street, Khuong Thuong Ward, Dong Da District

Hanoi, Vietnam

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PROSPERITY AND GROWTH COMMERCIAL JOINT STOCK BANK16th, 23rd and 24th Floor, MIPEC Tower

229 Tay Son Street, Khuong Thuong Ward, Dong Da District

Hanoi, Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Prosperity and Growth Commercial Joint Stock Bank (the “Bank”) presents this report together with the Bank’s financial statements for the year ended 31 December 2024.

The members of the Board of Directors, Board of Supervisors, Board of Management and Chief Accountant of the Bank during the year and to the date of the financial statements were as follows:

Board of Directors

Mr. Pham Manh Thang	Chairman
Mr. Dao Phong Truc Dai	Vice Chairman
Mr. Vuong Phuc Chinh	Member
Mr. Dinh Thanh Nghiep	Member
Mr. Dao Quoc Tinh	Independent Member (Appointed on 26 August 2024)
Ms. Cao Thi Thuy Nga	Independent Member (Appointed on 26 August 2024)
Mr. Nguyen Thanh Lam	Independent Member (Resigned on 20 April 2024)
Ms. Dinh Thi Huyen Thanh	Member (Resigned on 20 April 2024)

Board of Supervisors

Mr. Tran Ngoc Dung	Head of Board of Supervisors
Mr. Trinh Manh Hoan	Member
Ms. Ha Hong Mai	Member

Board of Management and Chief Accountant

Mr. Nguyen Van Huong	Chief Executive Officer (Appointed on 07 December 2024) Acting as Chief Executive Officer (Resigned on 07 December 2024)
Mr. Tran Van Luan	Standing Deputy Chief Executive Officer (Appointed on 23 September 2024) Deputy Chief Executive Officer (Resigned on 23 September 2024) Standing Deputy Chief Executive Officer (Resigned on 25 April 2024)
Mr. Le Van Phu	Deputy Chief Executive Officer (Appointed on 12 March 2024)
Mr. Nguyen Trong Chien	Deputy Chief Executive Officer (Appointed on 12 March 2024)
Ms. Nguyen Thi Thu Ha	Deputy Head of Finance cum Chief Accountant
Ms. Dinh Thi Huyen Thanh	Chief Executive Officer (Resigned on 25 April 2024)
Mr. Dinh Thanh Nghiep	Deputy Chief Executive Officer (Resigned on 05 July 2024)
Mr. Nguyen Thanh To	Deputy Chief Executive Officer (Resigned on 21 May 2024)
Mr. Hoang Xuan Hiep	Deputy Chief Executive Officer (Resigned on 15 January 2024)

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PROSPERITY AND GROWTH COMMERCIAL JOINT STOCK BANK

16th, 23rd and 24th Floor, MIPEC Tower

229 Tay Son Street, Khuong Thuong Ward, Dong Da District

Hanoi, Vietnam

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

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

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

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

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

For and on behalf of the Board of Management,



Nguyen Van Huong
Chief Executive Officer

Hanoi, 28 March 2025

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I.P.V

No: 0923/VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders**
 The Board of Directors and the Board of Management
 Prosperity and Growth Commercial Joint Stock Bank

We have audited the accompanying financial statements of Prosperity and Growth Commercial Joint Stock Bank (the "Bank"), prepared on 28 March 2025 as set out from page 05 to page 58, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and the cash flow statement for the year then ended, and a summary of accounting policies and other explanatory information.

Board of Management's Responsibility

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

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



Phạm Tuấn Linh

Deputy General Director

Audit Practising Registration Certificate

No.: 3001-2024-001-1



Doan Dieu Huyen

Auditor

Audit Practising Registration Certificate

No.: 5593-2025-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

28 March 2025

Hanoi, S.R Vietnam



STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Unit: VND million

NO.	ITEMS	Note	Closing balance	Opening balance
A	ASSETS			
I.	Cash, gold and gemstones	5	224,524	229,343
II.	Balances with the State Bank of Vietnam	6	2,197,457	1,601,718
III.	Placements with and loans to other credit institutions	7	23,801,965	14,270,357
1.	Placements with other credit institutions		23,801,965	14,270,357
IV.	Derivatives and other financial assets	8	1,948	1,161
V.	Loan to customers		40,811,502	34,983,261
1.	Loan to customers	9	41,236,482	35,335,012
2.	Provision for credit losses of loans to customers	10	(424,980)	(351,751)
VI.	Debts purchased	11	294,772	22,748
1.	Debts purchased		297,000	22,920
2.	Provision for credit losses of debts purchased		(2,228)	(172)
VII.	Investment securities	12	4,250,897	2,932,810
1.	Available-for-sale securities		1,937,014	2,225,648
2.	Held-to-maturity investment securities		2,739,483	949,273
3.	Provision for credit losses on investment securities		(425,600)	(242,111)
VIII.	Capital contribution, long-term investments	13	488	488
1.	Other capital contribution, long-term investments		529	529
2.	Provision for long-term investments		(41)	(41)
			-	-
IX.	Fixed assets	14	248,219	277,365
1.	Tangible fixed assets	14.1	200,251	223,498
a.	Costs		488,264	478,524
b.	Accumulated depreciation		(288,013)	(255,026)
2.	Intangible fixed assets	14.2	47,968	53,867
a.	Costs		127,440	121,902
b.	Accumulated amortisation		(79,472)	(68,035)
X.	Other assets	15	1,183,343	1,171,867
1.	Receivables		643,257	528,992
2.	Interests and fees receivables		468,766	569,031
3.	Other assets		129,801	112,325
4.	Provision for other assets		(58,481)	(38,481)
	TOTAL ASSETS		73,015,115	55,491,118

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

Unit: VND million

No	ITEMS	Note	Closing balance	Opening balance
B.	LIABILITIES AND OWNER'S EQUITY			
I.	Debts to the Government and the State Bank of Vietnam		419,069	-
		16		
1.	Deposits and borrowings from the Government and the State Bank of Vietnam		419,069	-
II.	Deposits and borrowings from other credit institutions	17	20,660,560	13,568,062
1.	Deposits from other credit institutions		20,660,560	13,568,062
2.	Borrowings from other credit institutions		-	-
III.	Deposits from customers	18	43,325,745	35,729,811
IV.	Valuable papers issued	19	2,280,000	500,000
V.	Other liabilities		1,163,691	829,421
1.	Interests and fees payables		791,219	706,228
2.	Other payables and liabilities	20	372,472	123,193
	TOTAL LIABILITIES		67,849,065	50,627,294
VI.	Capital and reserves			
1.	The Bank's capital	22	4,200,000	3,000,000
	<i>Charter capital</i>		<i>4,200,000</i>	<i>3,000,000</i>
2.	The Bank's reserves	22	320,256	378,272
3.	Retained earnings	22	645,794	1,485,552
	TOTAL OWNER'S EQUITY		5,166,050	4,863,824
	TOTAL LIABILITIES AND OWNER'S EQUITY		73,015,115	55,491,118

The accompanying notes are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

Unit: VND million

OFF BALANCE-SHEET ITEMS

No	ITEMS	Note	Closing balance	Opening balance
I.	Contingent Liabilities		8,818,705	5,964,526
1.	Credit guarantees	35	40,712	12,976
2.	Foreign currency commitments	35	2,538,759	572,772
a.	Foreign currency purchase commitments		149,937	14,562
b.	Foreign currency sale commitments		127,065	36,405
c.	Swap commitments		2,261,757	521,805
3.	Letters of credit commitments	35	564,728	480,507
4.	Other guarantees	35	4,902,944	4,103,025
5.	Other commitments	35	771,562	795,247
6.	Uncollected interest from loans and fee receivables	36	683,839	652,104
7.	Bad debt written-off	37	2,865,745	2,843,727
8.	Assets and other documents	38	2,830,884	2,358,508

Prepared by


Hoang To Tam
Specialist
General Accounting Department

Approved by


Nguyen Thi Thu Ha
Chief Accountant

Approved by


Nguyen Van Huong
Chief Executive Officer

28 March 2025

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

Unit: VND million

No	ITEMS	Note	Current year	Prior year
1.	Interest and similar income	23	3,496,810	3,455,868
2.	Interest and similar expenses	24	(1,837,972)	(2,154,514)
I.	Net interest and similar income		1,658,838	1,301,354
3.	Income from services rendered		100,087	99,301
4.	Expenses on services rendered		(82,183)	(64,611)
II.	Net gain from services rendered	25	17,904	34,690
III.	Net gain from foreign currency trading	26	251	19,451
		27		
IV.	Net (loss) from trading securities	27	(54,677)	(3,454)
5.	Income from other activities		209,949	43,472
6.	Expenses on other activities		(1,016)	(2,175)
V.	Net gain from other activities	28	208,933	41,297
VI.	Income from capital contribution and equity investments in other entities	29	148	132
	Total operating income		1,831,397	1,393,470
7.	Employee costs		(589,146)	(482,687)
8.	Depreciation and amortisation expenses		(46,312)	(40,682)
9.	Other operating expenses		(338,509)	(284,840)
VII.	Total operating expenses	30	(973,967)	(808,209)
VIII.	Net profit from operating activities before provision expenses for credit losses		857,430	585,261
IX.	Provision expenses for credit losses		(431,982)	(234,029)
X.	Profit before tax		425,448	351,232
10.	Current corporate income tax expense	31	(85,645)	(71,337)
XI.	Corporate income tax expense		(85,645)	(71,337)
XII.	Profit after tax		339,803	279,895
XIII.	Basic earnings per share	32	809	577

Prepared by


Hoang To Tam
Specialist
General Accounting Department

Approved by


Nguyen Thi Thu Ha
Chief Accountant

Approved by


Nguyen Van Huong
Chief Executive Officer

28 March 2025

The accompanying notes are an integral part of these financial statements

CASH FLOW STATEMENT

For the year ended 31 December 2024

Unit: VND million

	Note	Current year	Prior year
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar income received		3,597,075	3,453,845
Interest and similar expenses paid		(1,752,981)	(2,024,428)
Income from services rendered received		17,904	34,690
Net cash from dealing in foreign currency and trading securities		(838)	18,317
Other income		8,912	9,442
Cash recovered from bad debts written off or compensated by provision for credit losses		200,022	31,856
Payments to employees and for operation management		(900,034)	(769,714)
Corporate income tax paid	31	(51,090)	(79,158)
Net cash flow from operating activities before changes in operating assets and working capital		1,118,970	674,850
Changes in operating assets			
(Increases)/Decreases in trading securities		(1,501,575)	315,707
(Increases)/Decreases in derivative financial instruments and other financial assets/liabilities		(786)	12,484
(Increases) in loans to customers and debts purchased		(6,175,550)	(3,083,258)
(Decreases) in provision for credit losses on bad debts, corporate bonds and special bond settlements		(206,795)	(172,880)
(Increases)/Decreases in other operating assets		(133,630)	31,735
Changes in operating liabilities			
Increases in deposits and borrowings from the Government and the State Bank of Vietnam		419,069	-
Increases in deposits and borrowings from other credit institutions		7,092,498	2,627,447
Increases in deposits from customers		7,595,934	4,469,938
Increases in valuable papers issued (excluding valuable papers charged to financial activities)		1,780,000	-
Increases/(Decreases) in other operating liabilities		164,617	(973,104)
Net cash generated by from operating activities		10,152,752	3,902,919

The accompanying notes are an integral part of these financial statements

CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2024

Unit: VND million

	Note	Current year	Prior year
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		(30,418)	(31,682)
Proceeds from sales, disposal of fixed assets		46	1,461
Dividends and profit received from long-term investments and capital contribution		148	132
Net cash (used in) investing activities		(30,224)	(30,089)
Net cash flows for the year		10,122,528	3,872,830
Cash and cash equivalents at the beginning of the year		16,101,418	12,228,588
Cash and cash equivalents at the end of the year	33	26,223,946	16,101,418

Prepared by

Gray

Hoang To Tam
Specialist
General Accounting Department

Approved by /



Nguyen Thi Thu Ha
Chief Accountant

Approved by



Nguyen Van Huong
Chief Executive Officer

28 March 2025

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***1. GENERAL INFORMATION OF THE BANK****Establishment and Operation**

Prosperity and Growth Commercial Joint Stock Bank (formerly Petrolimex Group Commercial Joint Stock Bank) (the “Bank”), formerly known as Dong Thap Muoi Rural Joint Stock Bank, was established under the Operation License No. 0045/NH-GP issued by the Governor of the State Bank of Vietnam (“SBV”) on 13 November 1993 with an operation period of 20 years. According to Decision No. 368/QĐ-NHNN issued by the Governor of the State Bank of Vietnam on 8 February 2007, Dong Thap Muoi Rural Joint Stock Bank was approved to change its name to Petrolimex Group Commercial Joint Stock Bank. Operation time of the Bank has increased to 99 years since 13 November 1993 according to Decision No. 3061/QĐ-NHNN dated 30 December 2013 of the Governor of the State Bank of Vietnam. The latest amended establishment and operation license is the Bank Establishment and Operation No. 42/GP-NHNN issued by the State Bank of Vietnam on 16 June 2021. On 19 December 2023, according to Decision No. 2346/QĐ-NHNN of the State Bank of Vietnam on amending the content of the Bank's name in the Operation License, the Bank's full name in Vietnamese is Prosperity and Growth Commercial Joint Stock Bank, abbreviated name: PGBank.

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

Charter capital

At 31 December 2024, the charter capital of the Bank was VND 4,200,000 million.

Locations and the Bank network

The Bank's Head Office is located at 16th, 23rd, 24th Floor, MIPEC Tower, 229 Tay Son Street, Khuong Thuong Ward, Dong Da District, Hanoi. The total number of the Bank's network points as at 31 December 2024 was one (01) Head Office, twenty three (23) branches, sixty-four (68) transaction offices operating nationwide.

Employees

Total employees of the Bank as at 31 December 2024 are 1,921 (31 December 2023: 1,909).

Disclosure of information comparability in the financial statements

The comparative figures of the financial statement of financial position and accompanying notes are figures of the audited financial statements for the year ended 31 December 2023.

2. BASIS FOR PREPARING FINANCIAL STATEMENTS AND FISCAL YEAR

Basis for preparing financial statements

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. However, due to the Bank's large scale of operation, for the purpose of preparing these financial statements, the figures are rounded to and presented in millions of Vietnam Dong (VND Million). This presentation does not materially impact the financial statements in terms of the financial position, the results of operations and cash flows of the Bank. With regard to the number of shares, the Bank presented the items in units as shown in Note 22.3.

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

Fiscal year

The Bank's financial year begins on 01 January and ends on 31 December.

3. APPLY THE NEW GUIDANCE

Law on Credit Institutions No. 32/2024/QH15 dated 18 January 2024

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

Circular No. 06/2024/TT-NHNN dated 18 June 2024

On 18 June 2024, the State Bank of Vietnam issued Circular No. 06/2024/TT-NHNN ("Circular 06") amending and supplementing a number of articles of Circular No. 02/2023/TT-NHNN ("Circular 02") dated 23 April 2023 of the SBV regulates credit institutions to restructure debt repayment terms and maintain the same debt group to support customers in difficulty. Accordingly, Circular 06 stipulates that the restructuring of debt repayment terms for customers according to the provisions of this Circular will be implemented from the effective date of this Circular until 31 December 2024. Circular 06 takes effect from 18 June 2024.

Circular No. 21/2024/TT-NHNN dated 28 June 2024

On 28 June 2024, the State Bank of Vietnam issued Circular No. 21/2024/TT-NHNN ("Circular 21") regulating letter of credit (L/C) operations and other business activities of credit institutions related to letters of credit. Circular 21 takes effect from 01 July 2024, including regulations on credit risk classification, provisioning levels and methods, and the use of provisions to handle credit risks of commitments and assets in credit granting for L/C operation, in performing the outright purchase without recourse of the set of documents presented under L/C, and in entrusting the issuance of L/C according to legal regulations on asset classification, risk provisioning levels and methods, and the use of provisions to handle risks in the operations of banks and foreign bank branches.

Circular No. 31/2024/TT-NHNN dated 30 June 2024

On 30 June 2024, the State Bank of Vietnam issued Circular No. 31/2024/TT-NHNN ("Circular 31") regulating the classification of assets in the activities of commercial banks and non-bank credit institutions, foreign bank branches. Circular 31 replaces Circular No. 11/2021/TT-NHNN dated 30 July 2021 ("Circular 11") of the State Bank of Vietnam regulating asset classification, deduction levels, and risk provision methods and the use of provisions to handle risks in the operations of credit institutions and foreign bank branches. Circular 31 takes effect from 01 July 2024.

Decree No. 86/2024/ND-CP dated 11 July 2024

On 11 July 2024, the Government issued Decree No. 86/2024/ND-CP ("Decree 86") regulating the level of deductions, methods of setting up risk provisions, and the use of provisions to handling risks in the operations of credit institutions, foreign bank branches and cases where credit institutions allocate interest receivables that must be withdrawn. Decree 86 takes effect from 11 July 2024.

Some significant changes of Circular 31 and Decree 86 that have a material impact on the Bank's financial statements in the future include:

- Regarding the scope of adjustment in the classification of assets with credit risk, Circular 31 supplements debts arising from letter of credit operations and eliminates purchases of promissory notes and bills of credit issued by credit institutions, other foreign bank branches issuing domestically;
- Regarding debt classification methods and principles, Circular 31 amends and supplements classification principles for entrusted amounts to issue letters of credit; Debts that credit institutions receive and are forced to sell to credit institutions that are forced to be transferred according to a mandatory transfer plan approved by a competent authority, but the debt sale proceeds have not been fully collected; The amount of money purchased or entrusted to another organization to buy unlisted bonds can extend the bond term according to the provisions of law; Discounts on negotiable instruments and other valuable papers; Debts arising from letter of credit operations; Loans and deposits of supporting credit institutions at credit institutions are under special control; loans, guarantees, deposits of credit institutions receiving compulsory transfer and other credit institutions at commercial banks receiving compulsory transfer; Debts have restructured repayment terms;
- For debts that are exempted or reduced in interest according to the State Bank's regulations on restructuring debt repayment terms, exempting or reducing interest and fees, maintaining the same debt group to support customers affected by the Covid - 19 epidemic are allowed to be reclassified into lower risk debt groups (including group 1) when fully meeting the conditions prescribed in Circular 31;

- The deductible value of collateral must be considered zero for specific cases specified in Decree 86;
- Other debts arising between credit institutions and foreign bank branches in Vietnam from activities within the scope of Decree 86 are not subject to general provisioning.

Decision No. 1510/QĐ-TTg and Circular No. 53/2024/TT-NHNN dated 04 December 2024

On 04 December 2024, the Prime Minister issued Decision No. 1510/QĐ-TTg (“Decision 1510”) on the classification of assets, the risk provisioning levels and methods, and the use of provisions to handle risk related to loans of customers facing difficulties due to the impact and damage of Storm No. 3. On the same day, the State Bank of Vietnam (SBV) issued Circular No. 53/2024/TT-NHNN (“Circular 53”) stipulating the restructuring of loan repayment terms for customers facing difficulties due to the impact of Storm No. 3 and flooding, landslides in the aftermath of Storm No. 3. Decision 1510 and Circular 53 take effect from 04 December 2024.

Key provisions of Decision 1510 and Circular 53 that have an impact on the Bank’s financial statements for the current year include the following:

- Regulations on the conditions of loans eligible for restructuring, including the outstanding principal and/or interest that are restructured in terms of repayment deadlines, and the permission to maintain the debt group and classification after restructuring debt repayment terms; and
- Regulations for the restructuring of debt repayment terms for eligible customers under Circular 53 which will be implemented from the effective date of this Circular until 31 December 2025, with no limitation on the number of times repayment terms can be restructured.

The Bank has applied the Law on Credit Institutions 2024, Decree 86, Decision 1510 and these Circulars in the Bank’s financial reporting for the year ended 31 December 2024.

New guidances have been issued but not yet applied

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

On 29 November 2024, the National Assembly of Vietnam issued Law No.56/2024/QH15 (“Law No. 56”) amendments to Law on Securities, Law on Accounting, Law on Independent Audit, Law on State Budget, Law on Management and Use of Public Property, Law on Tax Administration, Law on Personal Income Tax, Law on National Reserves, and Law on Penalties for Administrative Violations. The Law No.56 takes effect from 01 January 2025, except for some provisions effective from 01 April 2025 and 01 January 2026.

The Bank assesses that the application of Law No. 56 will not have a material impact on the comparative figures in the Bank’s future financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the main accounting policies applied by the Bank in preparing its own financial statements:

Accounting estimates

The preparation of financial statements complies with accounting standards, accounting regimes applicable to credit institutions in Vietnam and legal regulations related to the preparation and presentation of financial statements that require the Board of Management to make estimates and

assumptions affecting the reported data on debts, assets and the presentation of liabilities and potential assets at the date of preparation of the financial statements as well as reported figures on revenues and expenses throughout the fiscal year. Although accounting estimates are made to the best of Board of Management's knowledge, the actual results may differ from those set forth in the estimates and assumptions.

Foreign currency

According to the Bank's accounting system, all the transactions are recorded in original currencies. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into VND using the average buying and selling spot exchange rates at the end of the balance sheet date if the difference between this rate and the weighted average exchange rate of buying and selling of the same day is less than 1% (see details of foreign currency rates applied as at 31 December 2024 in Note 46). In case the buying and selling spot exchange rate at the end date of the balance sheet date is greater than or equal to 1% compared with the weighted average buying and selling spot exchange rate of that day, the Bank uses the weighted average buying and selling spot exchange rates on the statement of financial position date for conversion. Income and expenses arising in foreign currencies of the Bank are converted into VND at exchange rates ruling at the transaction dates. At the end of the year, exchange rate differences arising from the revaluation of assets and liabilities denominated in foreign currencies into VND are recorded in "Net gain/(loss) from foreign currency trading" in the statement of profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash, gold, gemstones, precious metals, current accounts at the SBV, treasury bills and other short-term valuable papers that are qualified for being discounted at the SBV, current accounts and time deposits for term of three months or less from the deposit date and securities investment with the original maturity of three months or less from the transaction date.

Placements with and loans to other credit institutions

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

The credit risk classification for placements with and loans to other credit institutions are classified and provisioned with Circular 31 and Decree 86. Accordingly, the Bank makes specific provisions for deposits (except for current deposits at other domestic credit institutions and foreign bank branches, and placements with Vietnam Bank for Social Policies following the regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law and deposits (except for current deposits) at overseas credit institutions in a similar way to those for loans to customers.

Derivatives

Foreign currency forward and swap contracts

For foreign currency forward and swap contracts, the difference between equivalent VND amounts of foreign currency purchase/sale commitments using forward exchange rate and spot exchange rate as at effective date of the contract is recognized immediately at the effective date of the contract in line "Interest and fee receivables" item or "Interest and fee payables" item in the statement of financial position. The difference is subsequently allocated to "Net gain/(loss) from foreign currency trading" item using straight-line method over the term of the contract.

As at the date of the financial statements, commitments of foreign currency forward and swap contracts are revaluated and exchange differences arising from the revaluation of foreign currency denominated balances of forward contracts are recognized in the "Net gain/(loss) from foreign currency trading" item in the statement of profit or loss.

Loans to customers

Loans to customers are disclosed and presented at their principal amounts outstanding at the end of the reporting period.

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

Loans to customers are derecognized when the rights to receive cash flows from the loans end or when the Bank transfers to the buyer the significant risks and rewards associated with the ownership of the loans.

For the loans sold to Vietnam Asset Management Company ("VAMC"), the Bank shall remove them from the statement of financial position in accordance with the guidance in Official Letter No. 8499/NHNN-TCKT dated 14 November 2013 issued by the SBV ("Official Letter 8499") and Official Letter No. 925/NHNN-TCKT dated 19 February 2014 issued by the SBV ("Official Letter 925").

Provision for credit losses

Classification of loans and provision for credit losses

In accordance with Circular 31 and Decree 86, credit institutions are required to implement loan classification and credit risk provisioning. Loan classification and credit risk provisioning in compliance with Circular 31 and Decree 86 are applied to Assets (hereinafter referred to as "debts") including:

- Loans;
- Financial leasing;
- Discounts, rediscounts of negotiable instruments and other valuable papers;
- Factoring;
- Credit facilities in the form of credit card issuance;
- Payments on behalf under off-balance-sheet commitments include payments made on behalf of customers under transactions of guarantee and letters of credit (L/C) (except for payments made on behalf of customers under transactions of Usance Payable at Sight (UPAS) L/C that allow the beneficiary to be paid immediately or before the L/C due date, and those under transactions of L/C reimbursement as agreed with customers using the reimbursing bank's funds from the date the reimbursing bank pays the beneficiary; transactions of L/C payment negotiation) and other payments made on behalf of customers under off-balance sheet commitments;
- Amounts for purchase and entrustment of purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on stock exchanges or have not yet been registered for trading on the Upcom trading market (hereinafter referred to as unlisted bonds), excluding the purchase of unlisted bonds with trusted funds to which the trustee bears the risk;
- Credit granting entrustment;
- Deposits (except for current accounts at other domestic credit institutions and foreign bank branches, and deposits at Vietnam Bank for Social Policies following regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law and deposits (except for current deposits) at overseas credit institutions;

- Debt sale and purchase according to the State Bank's regulations except for bad debt buying and selling transactions conducted between credit institutions or foreign bank branches and Vietnam Asset Management Company (VAMC);
- Repurchase of Government bonds in the stock market following the law on issuance, registration, depository, listing and trading of Government debt securities in the stock market;
- Purchase of certificates of deposit issued by other credit institutions and foreign bank branches;
- Transactions of Usance Payable at Sight (UPAS) L/C that allow the beneficiary to be paid immediately or before the L/C due date, and those under transactions of L/C reimbursement as agreed with customers using the reimbursing bank's funds from the date the reimbursing bank pays the beneficiary; transactions of L/C payment negotiation; and
- Outright purchase without recourse of sets of documents presented under L/Cs, except where a commercial bank or foreign bank branch purchases outright without recourse of documents presented under an L/C which it issued.

Accordingly, customers' loans are determined to be in the higher risk group of the classification made under Article 10 of Circular 31 and customers' debt group provided at the time of loan classification by the Credit Information Center ("CIC") of the SBV.

The Bank maintains the debt group for a number of loans as stipulated in Circular No. 02/2023/TT-NHNN ("Circular 02") and Circular No. 06/2024/TT-NHNN ("Circular 06") amending and supplementing a number of articles of Circular 02 providing instructions for credit institutions and foreign bank branches on debt rescheduling and debt category maintaining to assist borrowers in difficulty.

Loans are classified by risk level into: Standard, Special mention, Substandard, Doubtful and Loss. Loans classified as either Substandard, Doubtful or Loss are considered as bad debts. Loan classification and provision for credit losses will be made at the end of each month and recognised in the following month. Provision for credit losses as at 31 December 2024 is recognized in the statement of profit or loss for the financial year incurred.

Net credit risk exposure for each item is calculated by subtracting from the remaining loan balance the discounted value of collateral which is subject to discount rates in accordance with Decree 86 from the remaining loan balance. Specific provision is made based on the net credit risk exposure of each item using the prescribed provision rates as follows:

Group	Category	Provision rate
1	Standard	0%
2	Special mention	5%
3	Substandard	20%
4	Doubtful	50%
5	Loss	100%

In accordance with Circular 02, the Bank determines and records a specific amount of provision that must be additionally made for all outstanding loans of customers whose outstanding balances have been restructured debt repayment terms according to the result of debt classification in accordance with Circular 31 (if do not apply the regulations on maintaining the debt group in accordance with Circular 02) are as follows:

- Up to 31 December 2023: at least 50% of the additional specific provision;
- Up to 31 December 2024: 100% of the additional specific provision;

In accordance with Decree 86, a general provision is made for credit losses which are yet to be identified during the loan classification and specific provisioning process as well as in cases where the Bank encounters potential financial difficulty due to the deterioration in loan quality. Accordingly, the Bank is required to fully make and maintain a general provision at 0.75% of total loans which are classified in group 1 to 4 excluding deposits at credit institutions, foreign bank branches in accordance with law and at overseas credit institutions; loans, termed purchase of valuable papers among credit institutions and foreign bank branches in Vietnam; purchases of promissory notes, bills, certificates of deposit or bonds issued by other credit institutions and foreign bank branches onshore; and repurchase agreements of government bonds in accordance with Decree 86 and other debts derived from the operations specified in clause 2 Article 3 of Decree 86 between credit institutions and foreign bank branches in Vietnam as prescribed by law.

Writing off bad debts

Provision is recorded in the statement of profit or loss as an expense and will be used to write off bad debts. In accordance with Decree 86, the Bank must set up Risk Settlement Committee to write off bad debts if they are classified into Group 5, or if legal entity borrowers are liquidated or bankrupted, or if individual borrowers are deceased or missing.

Debt purchased

Debts purchased are recognized on the basis of amounts paid to purchase the debts and classified into group with a risk level not lower than that of group before purchased.

In case the debt purchase price is less than or equal to the principal balance of the purchased debt.

The principal amount collected under the credit contract of the purchased debt, the credit institution or foreign bank branch purchasing the debt, recording the recovery into the amount purchased. In case, the debt purchase amount has been fully recovered, the remaining principal amount (the remaining difference between the principal amount of the purchased debt and the debt purchase amount) is recognized in income.

The amount of and interest earned under the credit contract of the purchased debt, the credit institution or foreign bank branch purchasing the debt records in income.

In case the debt purchase price is greater than the principal balance of the purchased debt.

The principal and interest amount collected under the credit contract of the purchased debt, the credit institution or foreign bank branch purchasing the debt, recording the recovery into the amount purchased. At the time when the remaining amount of purchased debt is less than or equal to the principal balance of the purchased debt at that time, the amount of principal and interest collected under the credit contract of the purchased debt, credit institutions, foreign bank branches that purchase debt shall handle according to the provisions.

If the debt purchase amount cannot be fully recovered, the credit institution or foreign bank branches shall handle the unrecoverable amount in accordance with regulations on financial regime of the credit institution, foreign bank branches and relevant laws.

The Bank classifies and makes provision of debts purchased in compliance with regulations of making provision and using provision to write off bad debts presented in Note on Provision for credit losses.

Classification of off-balance-sheet commitments

The Bank classifies guarantee, acceptances of payment and unconditional, irrevocable loan commitments with specific effective date (collectively referred to as "off-balance-sheet commitments") into groups as stipulated in Article 09, Article 10 or Article 11 of Circular 31 and the customer's debt group provided by the Credit Information Center ("CIC") of the State Bank of Vietnam. Accordingly, off-balance-sheet commitments are classified by risk level as follows: Standard, Special mention, Substandard, Doubtful and Loss.

Investments

Investment securities

Available-for-sale securities

Available-for-sale securities include debt and equity securities that the Bank holds less than 20% of voting rights for investment and ready-for-sale purposes. These securities are not frequently traded but can be sold at any time once they are profitable, and the Bank is neither the founding shareholder/strategic partner nor capable of controlling, to some extent, the process of initiating and approving financial and operational policies of the investee through a written agreement on delegating personnel for representation in the Board of Directors/Board of Management.

Available-for-sale equity securities are recognized at cost at the transaction date and subsequently recorded at cost during the holding period. Available-for-sale debt securities are initially recognized at par value at the transaction date. Accrued interest before the acquisition date (for debt securities with interest payment in arrears) or interest income received upfront awaiting amortisation (for debt securities with interest payment in advance) is recorded in a separate account. Any discount or premium, which is the difference between the cost and the amount equal to par value plus (+) accrued interest before the acquisition date (if any) or minus (-) interest received upfront awaiting amortisation (if any), is also recorded in a separate account.

During the term of those securities, available-for-sale securities are recorded at par value minus/plus remaining discount/premium after being amortised into the statement of profit or loss using the straight-line method over the remaining term of securities. Interest payment in arrears is recorded as follows: accumulative interest income before the purchasing date is deducted from the cost of such securities and the same amount is credited into the accrued interest income; accumulative interest income after the purchasing date is recognised as the Bank's income on an accrual basis. Interest received upfront is amortised into the statement of profit or loss using the straight-line method over the investment period.

Periodically, available-for-sale securities are subject to impairment review. Provision for securities that are fallen within the scope of Decree 86 are made in accordance with Decree 86. Provision for impairment of securities that are not fallen within the scope of Decree 86 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the statement of profit or loss as "Net gain/(loss) from investment securities".

Transactions of debts purchasing between Vietnam Asset Management Company ("VAMC") and other credit institutions

Special bonds issued by VAMC are term valuable papers issued by VAMC for purchasing bad debts of the Bank.

The Bank accounts for bad debt sold in exchange for special bonds issued by VAMC in accordance with guidance in Official Letter No. 8499/NHNN-TCKT issued by the SBV on 14 November 2013 ("Official Letter 8499") and Official Letter No. 925/NHNN-TCKT issued by the SBV on 19 February 2014 ("Official Letter 925"). The special bonds are classified as held-to-maturity securities, initially measured at par value at transaction date and subsequently measured at par value less allowance for losses.

For each bad debt amounts sold to VAMC, the Bank receives one special bond issued by VAMC. Par value of special bonds equals to carrying amount of loan principal balance of the bad debt less specific allowance made but not yet utilized for such bad debt.

Upon completing the procedures of selling bad debts, the Bank writes down the book value of the bad debts, uses the specific allowance made but not yet utilized and derecognize interest receivables recorded in off-balance sheet account. At the same time, the Bank recognizes special bonds issued by VAMC as held-to-maturity securities issued by local economic entities.

For special bonds issued by VAMC, specific allowance is calculated and provided in accordance with the guidance in Circular No. 19/2013/TT-NHNN dated 6 September 2013 issued by the SBV on the purchase, sale, settlement of bad debts of VAMC ("Circular 19") and Circular No. 14/2015/TT-NHNN dated 28 August 2015 issued by the SBV, Circular No. 08/2016/TT-NHNN dated 16 June 2016 issued by the SBV and Circular No. 09/2017/TT-NHNN dated 14 August 2017 issued by the SBV on amendments and supplement to some articles of Circular 19.

Accordingly, the minimum specific allowance required to be provided each year during the term of special bonds is the positive difference between the (Par value of the special bonds divided by the term of the bonds multiplied with the number of accumulated years from the issuance date) less (The accumulated total debt collecting amount of the relevant bad debts as of the provision date and the accumulated specific allowance made as of the preceding provision date of the bonds). On an annual basis within 05 working days prior to the corresponding date of the maturity date of special bonds, the Bank makes the above specific allowance once and is not required to make general allowance for the special bonds.

Provision for special bonds is recognized in the statement of profit or loss of the Bank.

Reclassification

According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, reclassification after transaction date is made only once for each item of investment securities. In special cases or in case a large number of securities has to be reclassified (greater than or equal to 50% of total value of the portfolio), the Bank will disclose the effect of reclassification on total assets, liabilities, equity, income and expenses of the Bank in the financial statements.

Other long-term investments

Other long-term investments represent the Bank's capital investments in other enterprises at which the Bank neither have control nor significant influence. The investments are initially recognized at cost at the transaction date and always carried at that cost during the subsequent holding period.

Provision for impairment of investments

Provision for impairment of investments in subsidiaries, joint ventures, associates and other long-term investments is made when the investee is operating at loss in accordance with prevailing accounting regulations.

Provision for impairment of long-term investments is recognized as an operating expense in the statement of profit or loss. In case an investment is made in listed shares or the fair value of an investment is reliably determined, the provision is made based on the market value of the stock (similar to the provision for impairment of trading securities).

Recognition

The Bank recognizes investment securities and other investments at the date when contracts are signed and effective (transaction-date based policy). Investment securities and other investments are initially recognized at cost. After initial recognition, investment securities and other investments are recognized under the above accounting policies.

Derecognition

Investments in securities are derecognized when the rights to receive cash flows from the investments end or when the Bank transfers to the buyer the significant risks and rewards associated with the ownership of the investments.

Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specific date in the future (repos) are recorded in the financial statements. The corresponding cash receipt is recognized in the statement of financial position as a liability. The difference between the sale price and the repurchase price is allocated to the statement of profit or loss over the agreement validity period using the straight-line method based on the contractual interest rate.

Securities purchased under agreements to resell at a specific date in the future (reverse repos) are not recognized in the financial statements. The corresponding cash payment is recognized in the statement of financial position as "Loans to customers". The difference between the purchase price and resale price is allocated to the statement of profit or loss over the agreement validity period using the straight-line method based on the contractual interest rate.

Trust activities and trusted funds

The value of trusted funds is recorded when the trust contracts have been signed and trusted funds have been realised. Rights and obligations of the trustor and trustee relating to profit and profit sharing, trust fee, other rights and obligations are in compliance with the terms of the signed contracts. The assets that are held under custody services are not considered as assets of the Bank and therefore, they are not recognized in the financial statements of the Bank.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed asset comprises all the Bank's purchase price plus any directly attributable costs of bringing the asset to the working condition for its intended use.

Expenditures for additions, improvements and renewals are capitalized and expenditures for maintenance and repairs are charged to the statement of profit or loss when incurred. When assets are sold or disposed, their cost and accumulated depreciation are written off from the statement of financial position and any gains or losses resulting from their disposals are recorded in the statement of profit or loss.

Intangible assets

Intangible assets are stated at cost less accumulated amortization. The cost of an intangible asset comprises all the Bank's expenditures paid to acquire the asset until it is put into use.

Expenditures for improvements and renewals are capitalized; other expenditures are charged to the statement of profit or loss when incurred. When intangible assets are sold or disposed, their cost and accumulated amortisation are written off from the statement of financial position and any gains or losses resulting from their disposals are recorded in the statement of profit or loss.

Leasing

A lease is classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

At the date of receiving the leased items, the Bank recognizes assets held under finance leases as fixed assets and liabilities under finance leases in the statement of financial position at the fair value of the lease assets or, if lower, at the net present value of the minimum lease payments. Finance lease payments are divided into financial expenses, which comprises interest on finance lease and principal payable in each period in equal instalments.

Finance lease assets are depreciated in the same way as applicable to other fixed assets of the same group owned by the Bank. If there is uncertainty that the Bank will purchase the lease assets at the end of the lease term, finance lease assets are depreciated over the lease term stated in the contracts or, if shorter, the useful life of the lease assets.

Operating lease assets are recognized off statement of financial position. Rentals under operating leases are recorded in "Other operating expenses" on a straight-line basis over the lease term.

Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful lives of the assets.

<u>Assets</u>	<u>Estimated useful live</u> <u>(Years)</u>
Buildings and structures	5 – 50
Machinery and equipment	5 – 7
Motor vehicles	8 – 10
Management tools and equipment	3 – 5
Other tangible fixed assets	4 – 5
Computer software	1 – 5
Other intangible assets	2 – 4

The cost of the land use rights is not amortized if it is granted by the Government of Vietnam for an indefinite term. The cost of the land use rights with definite term is amortized over the granted term.

Prepayments

Prepayments include actual expenses that have arisen but are related to the results of production and business activities of multiple accounting periods. Prepayments comprise prepaid office rentals and other long-term prepaid expenses.

Office rentals represent the amounts which have been paid in advance. Prepaid office rental is charged to the statement of profit or loss using the straight-line method over the rental period.

Other long-term prepayments include repair, maintenance costs for assets, costs of tools and supplies issued for consumption, which are expected to provide future economic benefits to the Bank. These expenses are capitalized as prepayments, and are allocated to the statement of profit or loss using the straight-line method over the period of one year or more, but not exceeding three years in accordance with prevailing accounting regulations.

Receivables

Receivables other than those from credit activities in the Bank's operation are initially recognized at cost and subsequently recorded at cost. Other receivables are subject to impairment review based on the overdue status or based on the expected loss for the following cases: institutional debtors who have fallen into bankruptcy or have been in the process of dissolution; or individual debtors who are missing, escaping, prosecuted, on trial or passed away even though receivables are not overdue. Provision expense incurred is recorded as "Operating expenses" in the statement of profit or loss during the year.

Provision rates for overdue receivables are applied in accordance with the prevailing accounting regulations.

Other provisions

Other provisions are recognized when the Bank has a present obligation as a result of a past event, and it is probable that the Bank will be required to settle that obligation. Other provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date.

Capital and reserves

Common shares

Common shares are classified as owners' equity of the Bank.

Reserves

Reserves are used for specific purposes and are appropriated from the Bank's profit after tax based on the regulated ratios in the following sequence:

- Charter capital supplementary reserve: 10% of profit after tax but not exceeding the Bank's charter capital;
- Financial reserve fund: 10% of profit after tax;
- Other reserves, if any, will be approved by the shareholders at the Annual General Shareholders' Meeting.

Revenue and expenses

Interest income and interest expense

Income from interest and interest expenses are recognized in the statement of profit or loss on the accrual basis. The accrued interest income arising from the loans that are classified from group 2 to group 5 in accordance with Circular 31, accrued interest income on loans restructured and maintained as Standard loan groups (group 1) as prescribed in Circular 02, Circular 06 will not be recognized in the statement of profit or loss. Accrued interest income on such loans is recorded as an off-balance-sheet item and is recognized in the statement of profit or loss when it is actually received.

Income and expenses from interest on investments in securities are recorded on the accrual basis. Accrued interest income of overdue securities is not recognized in the statement of profit or loss for the year and is recorded as an off-balance sheet item and is only recognized in the statement of profit or loss when it is actually received.

Income from service charges and commissions

Income from service charges and commissions is recognized on the accrual basis.

Income from guarantee activities

Income from guarantee activities is recognized on the accrual and allocation bases.

Recognition of dividends and profits received

Cash dividends and profits received from investment and capital contributions activities are recorded in the statement of profit or loss when the Bank's right to receive dividends and profits has been established. Share dividends, which are distributed from profits of joint stock companies, are recognized neither as an increase in the value of received shares nor financial income in the financial statements but are only used for tracking the increase in the number of shares according to Circular No. 22/2017/TT-NHNN dated 29 December 2017 issued by the State Bank of Vietnam.

Taxation

Corporate income tax expense represents the sum of the current corporate income tax expense and deferred tax.

The current corporate income tax expense is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on temporary differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences, unless they occurred from the initial recognition of an asset or liability of a transaction which has no impact on accounting profit or taxable profit/(loss) at the transaction date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Bank intends to settle its current tax assets and liabilities on a net basis.

The determination of the current corporate income tax expense is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Employee benefits

Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency, under the Ministry of Labour, 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% of the employee's monthly salary for their working period. In addition, the Bank also uses its Welfare Fund to pay one-time retirement benefits to employees under the Bank's regulations.

Severance allowance

According to Article 46 of Labour Code 2019, the Bank is responsible to pay severance allowance for employees who have regularly worked at the Bank for 12 months or more, half-month salary allowance for each working year before 01 January 2009. The working period used for calculation of severance allowance excludes the period that employees benefit from unemployment insurance and the working period that employees have received severance allowance, retrenchment benefit from employers.

Retrenchment benefits

According to Article 47 of Labor Code 2019, the Bank is responsible to pay retrenchment benefits for employees who have regularly worked at the Bank for 12 months or more but are retrenched from their jobs as a result of organizational restructuring, technological changes, economic reasons, business combination, consolidation or split. For each year of employment, the employee is entitled to one-month salary but not less than two times the average salary of 06 consecutive months immediately preceding the job loss date. The working period used for calculation of retrenchment benefits excludes the period that employees benefit from unemployment insurance and the working period that employees receive severance allowance, retrenchment allowance from employers.

Unemployment insurance

According to Circular No. 15/2023/TT-BLDTBXH dated 29 December 2023 ("Circular 15") of the Ministry of Labor - Invalids and Social Affairs amending certain articles of Circular No. 28/2015/TT-BLDTBXH dated 31 July 2015 ("Circular 28") guiding the implementation of Article 52 of the Employment Law in 2013 and Decree No. 28/2015/ND-CP of the Government dated 12 March 2015 regulating the implementation of the Employment Law's provision on unemployment insurance, from 01 January 2009, the Bank is obliged to pay unemployment insurance for eligible employees at 1% of their salary fund allocated for unemployment insurance.

Related parties

The parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making decisions on financial and operating policies. A party is considered as a related party with the Bank if:

- (a) Directly or indirectly through one or more intermediaries, the party:
 - Controls, or is controlled by, or is under common control by the Bank (including the holding company and its subsidiaries);
 - Contributes capital to the Bank and therefore has significant influence over the Bank;
 - Has joint control over the Bank;
- (b) The party is a joint venture or an associate of which the Bank is a venturer or an investor;
- (c) The party has a key management personnel who is also a member of the Board of Directors, Board of Supervisors, and Board of Management of the Bank;
- (d) The party is a close member of the family of any individual referred to in (a) or (c); or
- (e) The party is an entity that is, directly or indirectly controlled, jointly controlled or significantly influenced by, or of which, significant voting power in such entity resides with, any individual referred to in (c) or (d).

Offsetting

Financial assets and liabilities are offset and the net amounts are reported in the 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.

5. CASH, GOLD, AND GEMSTONES

	Closing balance	Opening balance
	VND million	VND million
Cash on hand in VND	205,721	219,792
Cash on hand in foreign currencies	18,803	9,551
	224,524	229,343

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

	Closing balance	Opening balance
	VND million	VND million
Balances with the SBV in VND	2,193,739	1,597,364
Balances with the SBV in foreign currencies	3,718	4,354
	2,197,457	1,601,718

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

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

	31 December 2024	31 December 2023
Deposits with term of less than 12 months in VND	3%	3%
Deposits with term of 12 months or more in VND	1%	1%
Deposits with term of less than 12 months in USD	8%	8%
Deposits with term of 12 months or more in USD	6%	6%

Interest rates at the end of the year and the beginning of the year:

	31 December 2024	31 December 2023
Compulsory reserve in VND	0.5%	0.5%
Non-compulsory reserve in VND	0%	0%
Compulsory reserve in USD	0%	0%
Non-compulsory reserve in USD	0%	0%

7. PLACEMENTS WITH OTHER CREDIT INSTITUTIONS

	Closing balance VND million	Opening balance VND million
Placements with other credit institutions	23,801,965	14,270,357
Demand deposits	5,064,162	3,070,357
- In VND	4,618,198	2,656,897
- In foreign currencies	445,964	413,460
Term deposits	18,737,803	11,200,000
- In VND	17,950,000	11,200,000
- In foreign currencies	787,803	-
	23,801,965	14,270,357

Analysis of placements with other credit institutions (excluding current accounts in local credit institutions, foreign banks' branches in Vietnam and demand deposits in foreign credit institutions under Circular 31) and loans to other credit institutions by quality:

	Closing balance VND million	Opening balance VND million
Standard	18,737,803	11,249,590
	18,737,803	11,249,590

8. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

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

	Closing balance		Opening balance	
	Total accounting value		Total accounting value	
	The total value of the contract	Assets/(Liabilities)	The total value of the contract	Assets/(Liabilities)
	VND million	VND million	VND million	VND million
Currency derivatives	2,465,967	1,948	1,489,277	1,161
Currency forwards	202,318	422	969,394	3,083
Currency swaps	2,263,649	1,526	519,883	(1,922)
	2,465,967	1,948	1,489,277	1,161

9. LOANS TO CUSTOMERS

	Closing balance	Opening balance
	VND million	VND million
Loans to local economic entities and individuals	41,235,326	35,333,856
Loans by funding, investment entrusts	1,156	1,156
	41,236,482	35,335,012

Analysis of loan portfolio by quality:

	Closing balance		Opening balance	
	VND million	%	VND million	%
Standard	39,555,514	95.92	33,502,959	94.82
Special mention	620,051	1.50	823,779	2.33
Sub-standard	182,232	0.44	221,231	0.63
Doubtful	259,971	0.63	293,570	0.83
Loss	618,714	1.51	493,473	1.39
	41,236,482	100.00	35,335,012	100.00

Analysis of loans portfolio by original term:

	Closing balance	Opening balance
	VND million	VND million
Short-term loans (under one year)	23,240,985	19,125,612
Medium-term loans (from one year to five years)	5,152,172	4,215,036
Long-term loans (over five years)	12,843,325	11,994,364
	41,236,482	35,335,012

Analysis of loan portfolio by currency:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Loans denominated in VND	40,855,919	34,690,606
Loans denominated in foreign currencies	380,563	644,406
	41,236,482	35,335,012

Analysis of loan portfolio by type of businesses:

	<u>Closing balance</u>		<u>Opening balance</u>	
	<u>VND million</u>	<u>%</u>	<u>VND million</u>	<u>%</u>
State owned entities	50,451	0.12	210,845	0.60
One-member limited liability companies of greater than 50% State-owned equity	550,197	1.33	177,610	0.50
Other types of limited liability companies	5,568,491	13.50	4,767,269	13.49
The Joint-stock company of which over 50% of Stated-owned equity	106,523	0.26	104,923	0.30
Private entities	11,225	0.03	8,422	0.02
Other types of joint stock companies	17,126,019	41.53	14,843,674	42.01
Foreign invested companies	220,931	0.54	600,896	1.70
Cooperatives and cooperative unions	41,889	0.10	5,627	0.02
Household businesses and individuals	17,307,958	41.97	14,560,599	41.21
Other sectors	252,798	0.62	55,147	0.15
	41,236,482	100.00	35,335,012	100.00

Analysis of loan portfolio by sector:

	Closing balance		Opening balance	
	VND million	%	VND million	%
Agriculture, forestry and fisheries	3,022,579	7.33	2,239,021	6.34
Mining	233,233	0.57	142,060	0.40
Manufacturing and processing	754,812	1.83	604,795	1.71
Electricity, petroleum, hot water, steam and air conditioner manufacturing and distribution	314,404	0.76	197,157	0.56
Construction	4,609,840	11.18	3,955,534	11.19
Wholesale and retail; repair of motor vehicles, motorcycles and others vehicles	3,633,276	8.81	3,905,185	11.05
Accommodation and food services	754,679	1.83	905,616	2.56
Transport and warehousing	1,005,695	2.44	988,639	2.80
Financial and insurance activities	5,884,266	14.27	4,065,154	11.50
Specialization, scientific and technology activities	135,405	0.33	63,207	0.18
Administration activities and supporting services	40,262	0.10	23,986	0.07
Education and training	130,484	0.32	64,235	0.18
Health and social assistance activities	231,377	0.56	195,796	0.55
Art, amusement, entertainment	83,666	0.20	57,523	0.16
Real estate business	3,529,288	8.56	2,099,411	5.94
Water supplying, waste and sewage processing and management	24,030	0.06	28,590	0.08
Employment activities in households, goods production and services rendering for household self-consumption	2,451,302	5.94	338,534	0.96
Information and communication	61,010	0.15	37,899	0.11
Other service activities	14,336,874	34.76	15,384,250	43.54
Activities of the Communist Party, socio-political organizations, state management, international security	-	0.00	31,324	0.09
Industry of international organizations and agencies	-	0.00	7,096	0.03
	41,236,482	100.00	35,335,012	100.00

10. PROVISIONS FOR CREDIT LOSSES OF LOANS TO CUSTOMERS

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

	Specific provision	General provision	Total
	VND million	VND million	VND million
Opening balance	90,440	261,311	351,751
Provision made during the year	187,506	40,210	227,716
Provision used for bad debts written off during the year	(154,487)	-	(154,487)
Closing balance	123,459	301,521	424,980

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

	Specific provision	General provision	Total
	VND million	VND million	VND million
Opening balance	69,215	213,660	282,875
Provision made during the year	99,330	47,651	146,981
Provision used for bad debts written off during the year	(78,105)	-	(78,105)
Closing balance	90,440	261,311	351,751

11. DEBTS PURCHASED

	Closing balance	Opening balance
	VND million	VND million
Debts purchased by VND	297,000	22,920
Provision for credit losses of debts purchased	(2,228)	(172)
	294,772	22,748

The value of principal of the debts purchased

	Closing balance	Opening balance
	VND million	VND million
Principal amount of debts purchased	297,000	22,920
	297,000	22,920

Analysis of debts purchased by quality

	Closing balance	Opening balance
	VND million	VND million
Standard	297,000	22,920
	297,000	22,920

12. INVESTMENT SECURITIES

12.1 Available-for-sale investment securities

	Closing balance	Opening balance
	VND million	VND million
Debt securities	1,711,676	2,225,648
Debt securities issued by the Government	1,711,676	1,725,646
Debt securities issued by domestic economic entities	-	500,002
Equity securities	225,338	-
Equity securities issued by domestic economic entities	225,338	-
Provision for impairment of available-for-sale securities	(57,337)	(3,750)
Provision for impairment	(57,337)	-
General provision	-	(3,750)
	1,879,677	2,221,898

12.2 Investment securities held to maturity (excluding special bonds)

	Closing balance	Opening balance
	VND million	VND million
Debt securities	1,600,000	-
Debt securities issued by other domestic credit institutions	1,600,000	-
	1,600,000	-

Analysis of debt securities issued by other domestic credit institutions under Circular 31 by quality:

	Closing balance	Opening balance
	VND million	VND million
Standard	1,600,000	-
	1,600,000	-

12.3 Special bonds issued by VAMC

	Closing balance	Opening balance
	VND million	VND million
Par value of special bonds	1,139,483	949,273
Provision for special bonds	(368,263)	(238,361)
	771,220	710,912

12.4 Movements in provision for impairment of investment securities (excluding special bonds)

	Provision for impairment	General provision	Total
	VND million	VND million	VND million
Opening balance	-	3,750	3,750
Provision/ (Reversed) in the year	57,337	(3,750)	53,587
Closing balance	57,337	-	57,337

12.5 Movements in provision for impairment of special bonds

	Closing balance	Opening balance
	VND million	VND million
Opening balance	238,361	222,893
Provision made in the year	182,210	110,243
Provision used for settlement of special bonds	(52,308)	(94,775)
Closing balance	368,263	238,361

13. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS

	Closing balance	Opening balance
	VND million	VND million
Other long-term investments	529	529
Provision for impairment of long-term investments	(41)	(41)
	488	488

Details of other long-term investments:

	Closing balance		Opening balance	
	Cost	Proportion owned by the Bank	Cost	Proportion owned by the Bank
	VND million	%	VND million	%
PTN Chemical Joint Venture Company	488	5.10	488	5.10
Vietnam Pyramid New Technology Corporation	41	0.07	41	0.07
	529		529	

14. FIXED ASSETS

14.1 Tangible fixed assets

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

	Buildings, structures VND million	Machinery, equipment VND million	Motor vehicles VND million	Management tools and equipment VND million	Other tangible fixed assets VND million	Total VND million
Cost						
Opening balance	195,387	6,572	89,383	183,841	3,341	478,524
New purchases for the year	599	37	-	5,375	5,482	11,493
Other increase	-	-	-	2,470	39	2,509
Disposals	-	(110)	-	(1,633)	-	(1,743)
Other decrease	(39)	(2,470)	(10)	-	-	(2,519)
Closing balance	195,947	4,029	89,373	190,053	8,862	488,264
Accumulated depreciation						
Opening balance	46,682	6,511	57,080	143,526	1,227	255,026
Depreciation for the year	4,815	19	7,400	21,112	1,385	34,731
Other increase	-	-	-	2,464	23	2,487
Disposals	-	(110)	-	(1,633)	-	(1,743)
Other decrease	(23)	(2,464)	(1)	-	-	(2,488)
Closing balance	51,474	3,956	64,479	165,469	2,635	288,013
Net book value						
Opening balance	148,705	61	32,303	40,315	2,114	223,498
Closing balance	144,473	73	24,894	24,584	6,227	200,251

The cost of tangible fixed assets which were fully depreciated and still in use as at 31 December 2024 is VND 155,391 million (as at 31 December 2023: VND 140,185 million).

14.2 Intangible assets

	Land use rights VND million	Software computer VND million	Other intangible fixed assets VND million	Total VND million
Cost				
Opening balance	30,917	90,913	72	121,902
New purchases for the year	-	9,868	-	9,868
Other decrease	-	(4,330)	-	(4,330)
Closing balance	30,917	96,451	72	127,440
Accumulated depreciation				
Opening balance	7,416	60,547	72	68,035
Amortisation for the year	1,483	10,098	-	11,581
Other decrease	-	(144)	-	(144)
Closing balance	8,899	70,501	72	79,472
Net book value				
Opening balance	23,501	30,366	-	53,867
Closing balance	22,018	25,950	-	47,968

The cost of intangible fixed assets that have been fully depreciated but still in use as at 31 December 2024 is VND 49,797 million (as at 31 December 2023: VND 49,247 million)

15. OTHER ASSETS

	Closing balance VND million	Opening balance VND million
Receivables	643,257	528,992
- Construction in progress	24,756	760
- Other receivables (Note 15.1)	618,501	528,232
Interest and fee receivables	468,766	569,031
Other assets	129,801	112,325
- Prepaid expense	52,377	35,414
- Foreclosed assets awaiting resolution	71,539	71,575
- Other assets	5,336	5,336
Provision for impairment of other assets on the statement of financial position	(58,481)	(38,481)
	1,183,343	1,171,867

15.1 Other receivables

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Internal receivables	21,501	13,007
External receivables	597,000	515,225
In which:		
Mortgage, collaterals and deposits	139,810	138,480
Receivables from service fee	164,151	99,224
Deposits for office rental and using office service	20,320	9,839
Collaterals processing expenses	18,074	16,978
Receivables from Tien An Investment Joint Stock Company	225,053	225,053
Amounts awaiting to settle from State budget	3,191	6,167
Value added tax input	2,042	1,290
Other receivables	24,359	18,194
	<u>618,501</u>	<u>528,232</u>

15.2 Provision for impairment of other assets

	<u>Current year</u>	<u>Prior year</u>
	VND million	VND million
Opening balance	38,481	37,669
Provision made for the year	20,000	812
Closing balance	<u>58,481</u>	<u>38,481</u>

16. DEPOSITS AND BORROWINGS FROM GOVERNMENT, SBV

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Borrowings the State Bank of Vietnam	419,069	-
	<u>419,069</u>	<u>-</u>

17. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Demand deposits from other credit institutions	4,760,560	2,749,632
- In VND	4,506,430	2,506,932
- In foreign currency	254,130	242,700
Term deposits from other credit institutions	15,900,000	10,818,430
- In VND	15,900,000	10,600,000
- In foreign currency	-	218,430
	<u>20,660,560</u>	<u>13,568,062</u>

18. DEPOSITS FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Demand deposits	6,113,271	5,913,319
- In VND	6,038,952	5,784,761
- In foreign currency	74,319	128,558
Term deposits	36,989,144	29,585,979
- In VND	36,889,682	29,484,729
- In foreign currency	99,462	101,250
Margin deposits	223,299	230,480
- In VND	223,292	230,474
- In foreign currency	7	6
Deposits for specific purposes	31	33
- In VND	1	4
- In foreign currency	30	29
	43,325,745	35,729,811

Customer deposit portfolio by type of deposits:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Economic entities	13,256,184	9,626,429
Individuals	30,069,561	26,103,382
	43,325,745	35,729,811

19. VALUABLE PAPERS ISSUED

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Certificate of deposit		
Terms under 12 months	1,000,000	-
Terms from 12 months to under 05 years	280,000	-
Bonds		
Terms from 12 months to under 05 years	1,000,000	500,000
	2,280,000	500,000

20. OTHER LIABILITIES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Internal payables	68,700	41,070
External payables (Note 20.1)	266,323	49,338
Bonus and welfare funds	37,449	32,785
	372,472	123,193

20.1 External payables

	Closing balance	Opening balance
	VND million	VND million
Amount waiting transfer	211,152	28,910
Tax and other payables to the State Budget	54,613	19,813
Payables to construction in progress and asset procurement	225	282
Other payables	333	333
	266,323	49,338

21. THE BANK'S OBLIGATIONS TO THE STATE BUDGET

	Opening balance	During the year		Closing balance
	VND million	Payable	Paid	VND million
	VND million	VND million	VND million	VND million
Value-added tax	1,070	10,299	(9,972)	1,397
Corporate income tax	15,633	85,666	(51,090)	50,209
Other taxes	3,110	35,858	(35,961)	3,007
Other obligations, fees and charges	-	91	(91)	-
	19,813	131,914	(97,114)	54,613

PROSPERITY AND GROWTH COMMERCIAL JOINT STOCK BANK
NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B05/TCTD

22. CAPITAL AND RESERVES

22.1 Statement of changes in equity

	Charter capital	Investment and development fund	Financial reserve	Charter capital supplementary reserve	Retained earnings	Total
	VND million	VND million	VND million	VND million	VND million	VND million
Balance as at 01 January 2024	3,000,000	650	250,021	127,601	1,485,552	4,863,824
Capital increase (i)	1,200,000	-	-	(100,000)	(1,100,000)	-
Profit after tax for the year	-	-	-	-	339,803	339,803
Appropriation of funds under 2024 Annual General Meeting Minutes (ii)	-	-	27,989	13,995	(41,984)	-
Distributed welfare and bonus fund (ii)	-	-	-	-	(37,500)	(37,500)
Others	-	-	-	-	(77)	(77)
Balance as at 31 December 2024	4,200,000	650	278,010	41,596	645,794	5,166,050

(i) Pursuant to Resolution No. 44/2024/NQ-HĐQT dated 5 March 2024, the Board of Directors approved the issuance of shares to existing shareholders at a ratio of 10:4 to increase its charter capital from equity by VND 1,200,000,000,000. The funds for this issuance shall be sourced from retained earnings and capital reserves, as per the audited financial statements for the year 2022, and in accordance with the capital usage plan approved by the General Meeting of Shareholders under Resolution No. 08/2023/NQ-DHĐCD dated 23 October 2023.

(ii) Pursuant to Resolution No. 01/2024/NQ-DHĐCD dated 20 April 2024, the General Meeting of Shareholders approved the establishment of a capital reserve fund and a financial reserve fund at a rate of 5% and 10% of the 2023 after-tax profit, respectively, and a welfare and reward fund equivalent to one month's 2023 average income from the 2023 after-tax profit.

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	Charter capital VND million	Investment and development fund VND million	Financial reserve VND million	Charter capital supplementary reserve VND million	Retained earnings VND million	Total VND million
Balance as at 01 January 2023	3,000,000	650	209,652	107,417	1,266,809	4,584,528
Profit after tax for the year	-	-	-	-	279,895	279,895
Appropriation of funds under 2022 Annual General Meeting Minutes	-	-	40,369	20,184	(60,553)	-
Others	-	-	-	-	(599)	(599)
Balance as at 31 December 2023	3,000,000	650	250,021	127,601	1,485,552	4,863,824

22.2 Details of the Bank's capital

	Closing balance			Opening balance		
	Total	Ordinary shares	Percentage of ownership	Total	Ordinary shares	Percentage of ownership
	VND million	VND million	%	VND million	VND million	%
Gia Linh Trading Development and Import - Export Company Limited	550,144	550,144	13.099%	392,960	392,960	13.099%
Cuong Phat International Joint Stock Company	568,735	568,735	13.541%	406,240	406,240	13.541%
Vu Anh Duc Trading Joint Stock Company	561,109	561,109	13.359%	400,792	400,792	13.359%
Other shareholders	2,520,012	2,520,012	60.001%	1,800,008	1,800,008	60.001%
	4,200,000	4,200,000	100.000%	3,000,000	3,000,000	100.000%

22.3 Details of the Bank's shares

	Closing balance	Opening balance
Number of shares registered to issue	420,000,000	420,000,000
Number of shares offered to public	420,000,000	300,000,000
- Ordinary shares	420,000,000	300,000,000
Number of shares in circulation	420,000,000	420,000,000
- Ordinary shares	420,000,000	420,000,000
Par value per share (VND)	10,000	10,000

(*) Pursuant to the Resolution No. 44/2024/NQ-HĐQT dated 5 March 2024, the Board of Directors approved the issuance of shares to increase charter capital from equity from retained earnings and capital reserves, as per the audited financial statements for the year 2022.

23. INTEREST AND SIMILAR INCOME

	Current year	Prior year
	VND million	VND million
Interest income from deposits	264,939	162,666
Interest income from loans to customers	3,002,472	2,997,805
Interest income from trading, debt securities	101,416	116,739
- Interest income from investment securities	101,416	116,739
Income from guarantee	41,282	31,794
Income from debt purchasing	485	88,561
Other incomes from credit activities	86,216	58,303
	3,496,810	3,455,868

24. INTEREST AND SIMILAR EXPENSES

	Current year VND million	Prior year VND million
Interest expenses for deposits	1,771,683	2,078,126
Interest expenses for borrowings	4,341	34,712
Interest expenses for issuance of valuable papers	32,927	24,971
Expenses for other credit activities	29,021	16,705
	1,837,972	2,154,514

25. NET GAIN FROM SERVICES

	Current year VND million	Prior year VND million
Income from services	100,087	99,301
Settlement services	28,185	27,767
Treasury activities	28,678	29,152
Other services	43,224	42,382
Expenses on services	(82,183)	(64,611)
Settlement services	(5,959)	(5,036)
Treasury activities	(11,968)	(10,870)
Consultancy services	(292)	(199)
Other services	(63,964)	(48,506)
Net gain from services	17,904	34,690

26. NET GAIN FROM FOREIGN CURRENCY TRADING

	Current year VND million	Prior year VND million
Income from trading foreign currencies	56,633	105,808
Income from foreign exchange spot transactions	15,663	24,053
Income from monetary derivative financial instruments	40,970	81,755
Expenses for trading foreign currencies	(56,382)	(86,357)
Expenses for foreign exchange spot transactions	(8)	(9)
Expenses for monetary derivative financial instruments	(56,374)	(86,348)
Net gain from trading foreign currencies	251	19,451

27. NET (LOSS) FROM TRADING SECURITIES

	Current year VND million	Prior year VND million
Income from available-for-sale securities	-	46
Expenses for available-for-sale securities	(1,089)	(1,179)
(Provision) for investment securities	(53,588)	(2,321)
	(54,677)	(3,454)

28. NET GAIN FROM OTHER ACTIVITIES

	Current year	Prior year
	VND million	VND million
Income from other activities	209,949	43,472
Recovery of bad debts written off	200,022	31,856
Income from other derivative financial instruments	992	2,481
Other incomes	8,935	9,135
Expenses on other activities	(1,016)	(2,175)
Expenses for other derivative financial instruments	(628)	(1,559)
Expenses for social activities	(158)	(280)
Other operating expenses	(230)	(336)
Net gain from other activities	208,933	41,297

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

	Current year	Prior year
	VND million	VND million
Dividends and profits received in the year from capital contribution:	148	132
- From long-term investments	148	132
	148	132

30. OPERATING EXPENSES

	Current year	Prior year
	VND million	VND million
1. Taxes, fees and charges	14,782	13,531
2. Employees costs	589,146	482,687
In which:		
- Salaries and benefits	540,404	433,154
- Additional payroll-related expenses	41,728	36,437
- Allowances	709	4,085
- Other expenses for employees	6,305	9,011
3. Expenses related to assets	166,459	145,252
In which: depreciation and amortization for fixed assets	46,312	40,682
4. Expenses related to public affairs management	162,741	130,786
In which:		
- Per diem	7,165	7,426
- Expenses related to union activities	3,363	2,796
5. Insurance for customer deposits	40,839	35,912
6. Provision expenses (excluding on- and off-balance sheet credit risk provision expenses; securities risk provision expenses)	-	41
	973,967	808,209

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

	Current year VND million	Prior year VND million
Profit before tax	425,448	351,232
<i>Less:</i>		
Non-taxable income from dividends	-	(20)
Income from dividends, distributed profits and capital contributions	(148)	(112)
<i>Add:</i>		
Other non-deductible expenses	2,926	5,584
Taxable income	428,226	356,684
CIT rate	20%	20%
CIT expenses based on tax rate	85,645	71,337
Other adjustments	-	-
Total CIT for the year	85,645	71,337
CIT payable at the beginning of the year	15,633	22,855
CIT paid during the year	(51,090)	(79,158)
CIT adjustment after finalization	21	-
Others	-	599
CIT payable at the end of the year	50,209	15,633

32. BASIC EARNING PER SHARE

	Current year VND million	Prior year VND million
Profit after tax (VND million)	339,803	279,895
Appropriation of other funds (excluding charter capital supplemental reserve fund, charter capital supplemental reserve fund, financial reserve fund and other equity funds) (*)	-	(37,500)
Profit to calculate basic interest on shares (VND million)	339,803	242,395
Average weighted common stock for basic interest calculation (shares) (**)	420,000,000	420,000,000
Basic earning per share (VND)	809	577

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

(**) The figure includes 120 million shares issued according to Notice No. 48/2024/TB-PGB dated 31 January 2024 for the purpose of increasing capital from the owner's capital. Accordingly, the capital issued from the accumulated undistributed after-tax profit source and reserve fund to supplement charter capital based on the audited financial statements for the year 2022.

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

33. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND million	VND million
Cash, gold and gemstones	224,524	229,343
Balances with the State Bank of Vietnam	2,197,457	1,601,718
Placements with and loans to other credit institutions	23,801,965	14,270,357
- Demand deposits	5,064,162	3,070,357
- Term deposit with no more than 3 months	18,737,803	11,200,000
	26,223,946	16,101,418

34. EMPLOYEES' INCOME

	Current year	Prior year
I. Total average number of employees during the year (person)	1,921	1,909
Total average number of employees during the year (person)	1,867	1,737
II. Employees' income (VND million)		
1. Total salary income	473,364	385,281
2. Other income	94,709	64,885
3. Total income (1+2)	568,073	450,166
4. Average monthly income per employee (VND million/person/month)	21.13	18.48
5. Average monthly income	25.36	21.60

35. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Credit guarantees	40,712	12,976
Foreign currency commitments	2,538,759	572,772
<i>Foreign currency purchase commitments</i>	149,937	14,562
<i>Foreign currency sale commitments</i>	127,065	36,405
<i>Swap commitments</i>	2,261,757	521,805
Letters of credit commitments	564,728	480,507
Other guarantees	4,902,944	4,103,025
Other commitments	771,562	795,247
Bad debt written-off	2,865,745	2,843,727
Assets and other documents	2,830,884	2,358,508

36. UNCOLLECTED INTEREST FROM LOANS AND FEE RECEIVABLES

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Uncollected interest from loans	683,839	652,104
	<u>683,839</u>	<u>652,104</u>

37. BAD DEBTS WRITTEN-OFF

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Principal amount of bad debts written-off under surveillance period	1,904,968	1,907,470
Interest amount of bad debts written-off under surveillance period	960,777	936,257
	<u>2,865,745</u>	<u>2,843,727</u>

38. ASSETS AND OTHER DOCUMENTS

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Other assets held on behalf	2,830,884	2,358,508
	<u>2,830,884</u>	<u>2,358,508</u>

39. RELATED PARTY TRANSACTIONS AND BALANCES

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

Related party	Balance	Receivables VND million	(Payables) VND million
Members of the Board of Directors/Board of Supervisors/Board of Management and related people	- Demand deposit	-	12,953
	- Term deposit	-	119,112
	- Accrued interests payables	-	2,111
	- Loan to customers	10,099	-
	- Accrued interest receivables	24	-

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

Related party	Transaction	VND million
Major shareholders	- Services receivable	4
Members of the Board of Directors/Board of Supervisors/Board of Management and related parties	- Buying foreign currency	67,575
	- Loan interest income	34,566
	- Interest expenses on deposits	3,815
	- Services receivable	8
	- Others	505

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

Name	Title	Date of appointment/ dismissal	Current year	Prior year
			VND million	VND million
Board of Directors				
Mr. Pham Manh Thang	Chairman		5,256	1,030
Mr. Nguyen Quang Dinh	Chairman	Automatically lose the position on 04 May 2023	-	1,570
Mr. Dao Phong Truc Dai	Vice Chairman		448	70
Mr. Dao Quoc Tinh	Independent Member	Appointed on 26 August 2024	169	-
Ms. Cao Thi Thuy Nga	Independent Member	Appointed on 26 August 2024	169	-
Mr. Dinh Thanh Nghiep	Member		1,120	410
Mr. Vuong Phuc Chinh	Member		1,909	67
Ms. Dinh Thi Huyen Thanh	Member	Resigned on 20 April 2024	110	67
Mr. Nguyen Phi Hung	Member	Resigned on 23 October 2023	-	1,237
Mr. Nguyen Tien Dung	Vice Chairman	Resigned on 23 October 2023	-	354
Mr. Nilesh Banglorewala	Member	Resigned on 23 October 2023	-	354
Mr. Oliver Schwarzhaupt	Independent Member	Resigned on 23 October 2023	-	653
Mr. Nguyen Manh Hai	Member	Resigned on 23 October 2023	-	916
Board of Supervisors			3,595	4,024

Name	Title	Date of appointment/ dismissal	Current year VND million	Prior year VND million
Board of Management and Chief Accountant				
Mr. Nguyen Van Huong	Chief Executive Officer	Appointed on 07 December 2024	1,439	-
Ms. Dinh Thi Huyen Thanh	Chief Executive Officer	Resigned on 25 April 2024	1,339	1,308
Mr. Nguyen Phi Hung	Chief Executive Officer	Resigned on 02 July 2023	-	1,891
Mr. Pham Manh Thang	Chief Executive Officer	Appointed on 15 September 2023 and resigned on 23 October 2023	-	1,437
Mr. Tran Van Luan	Standing Deputy Chief Executive Officer	Appointed on 23 September 2024	1,654	-
Mr. Le Van Phu	Deputy Chief Executive Officer	Appointed on 12 March 2024	1,624	-
Ms. Nguyen Trong Chien	Deputy Chief Executive Officer	Appointed on 12 March 2024	1,624	-
Mr. Dinh Thanh Nghiep	Deputy Chief Executive Officer	Resigned on 05 July 2024	772	1,936
Mr. Nguyen Thanh To	Deputy Chief Executive Officer	Resigned on 21 May 2024	720	2,423
Mr. Hoang Xuan Hiep	Deputy Chief Executive Officer	Resigned on 15 January 2024	68	2,289
Mr. Hoang Long	Deputy Chief Executive Officer	Resigned on 15 December 2023	-	1,952
Mr. Do Thanh Cong	Deputy Chief Executive Officer	Appointed on 01 February 2023 and resigned on 23 October 2023	-	1,426
Ms. Nguyen Thi Thu Ha	Deputy Head of Finance cum Chief Accountant		1,548	1,348

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

	Total loan balance and debts purchased	Total deposits at SBV and other credit institutions	Total deposits and loans from other credit institutions papers issued to other credit institutions	Total deposits from customers	Credit commitments	Derivatives (Total contract value)	Trading and investment securities
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Domestic	41,533,482	25,960,793	22,940,560	43,325,745	6,279,946	1,948	4,676,497
Overseas	-	38,629	-	-	-	-	-

41. RISK MANAGEMENT POLICIES RELATED TO FINANCIAL INSTRUMENTS

This explanation provides information about the risks that the Bank may face and describes in detail the methods used by the Bank's Board of Management to control risks. The most important types of financial risks that a Bank typically encounters are currency risk, interest rate risk, credit risk, and liquidity risk.

Risk Management Policy

The Bank's Board of Directors has a shared responsibility for establishing and overseeing the Bank's risk management framework. The Bank's Board of Directors has established a Risk Management Committee responsible for developing and overseeing the Bank's risk management policies in each management area. All boards of the Board of Directors have dedicated and non-specialized members and periodically report to the Board of Directors on their activities.

The Bank's risk policy is established to identify and analyze the risks exposed by the Bank, to establish appropriate risk limits and controls, and to monitor risks and adhere to limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions, products and services provided by the Bank. Through training activities and standards and management systems, the Bank aims to develop a disciplined and positive control environment in which all its employees understand their roles and obligations.

The Bank's Internal Audit Department conducts periodic and unscheduled reviews of risk management control systems and procedures and reports the results of the review to the Board of Directors.

In addition to establishing risk management departments and policies related to financial instruments, the Bank also coordinates with partners in the field of information technology and telecommunications to support risk management by building an integrated system of risk management tools to protect customers, supplier and enhance the sustainable development of the Bank.

Monetary risk policies, interest rate risk, liquidity risk and credit risk are analyzed in detail in Notes 42, 43, 44 and 45.

Currency risk is the risk that the Bank's asset or value of an investment fluctuates due to changes in foreign exchange rates. The Bank was established and operates in Vietnam with reporting currency of VND. The Bank's assets are denominated mainly in VND and partly in other currencies. The Bank has launched a limit system to manage foreign exchange risks deriving from foreign exchange position held by the Bank. Foreign exchange positions are monitored on a daily basis and hedging strategies are used to ensure that risk management indicators are maintained within the established limits.

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The book values of the Bank's foreign currency denominated monetary assets and monetary liabilities as at 31 December 2024 are as follows:

	Converted EUR	Converted USD	Converted other currencies		Total
	VND million	VND million	VND million	VND million	VND million
Assets					
Cash, gold and gemstones	3,956	14,847	-	-	18,803
Deposits with the SBV	-	3,718	-	-	3,718
Placements with and loans to other credit institutions (*)	11,762	1,206,932	15,073		1,233,767
Derivatives and other financial assets	-	101,652	-	-	101,652
Loans to customers (*)	-	380,563	-	-	380,563
Other assets (*)	-	160,060	3		160,063
Total assets	15,718	1,867,772	15,076		1,898,566
Liabilities					
Deposits and borrowings from the SBV and other credit institutions	-	254,130	419,069		673,199
Deposits from customers	13,176	155,764	4,878		173,818
Derivatives and other financial liabilities	-	1,601,019	-		1,601,019
Other liabilities	1	66	111		178
Total liabilities	13,177	2,010,979	424,058		2,448,214
On-balance-sheet currency position	2,541	(143,207)	(408,982)		(549,648)
Off-balance-sheet currency position	-	22,872	-		22,872
On and off-balance-sheet currency position	2,541	(120,335)	(408,982)		(526,776)

(*) Excluding provision for credit risk.

43. INTEREST RATE RISK

Interest rate risk is the risk that the Bank must bear when the fluctuation of interest rate adversely influences the Bank's income, the values of assets, liabilities and off-balance-sheet commitments. The repricing term is the remaining term from the date of the financial statements to the latest repricing date of interest rate sensitive assets and liabilities. The following assumptions and conditions are applied when analyzing the interest rate repricing term of the Banks' assets and liabilities:

- ▶ Cash, gold and gemstones; long-term investments; fixed assets; other assets and other liabilities are classified as items which are free of interest rate sensitivity;
- ▶ Balances with the SBV are classified as interest-free for the non-compulsory reserve of VND and compulsory reserve of USD; the remaining balance is classified into a term of up to one month;
- ▶ Trading securities: The repricing term of trading securities is determined based on information about the actual maturity date or remaining holding period as prescribed and the latest repricing date of the securities (for floating rate securities) from the date of the financial statements, whichever is earlier.
- ▶ Placements with and loans to other credit institutions; loans to customers; investment securities; derivative financial instruments and other financial assets; borrowings from the Government and the SBV; deposits and borrowings from other credit institutions; deposits from customers; grants, trusted funds and borrowings where the Bank bears risks and valuable papers issued: The repricing term is determined based on the actual maturity date or the latest re-pricing date (for floating-rate items) calculated from the date of the financial statements, whichever is earlier.

The table below shows the Bank's exposure to interest rate risk as at 31 December 2024:

	Not subject to interest rate re- pricing risk	Interest repricing term						Total	
		Overdue	Up to 01 month	From 01 to 03 months	From 03 to 06 months	From 06 to 12 months	From 01 to 05 years		Over 05 years
Assets									
Cash, gold and gemstones	-	224,524	-	-	-	-	-	224,524	
Balances with the SBV	-	-	2,197,457	-	-	-	-	2,197,457	
Placements with and loans to other credit institutions (*)	-	-	20,901,965	2,900,000	-	-	-	23,801,965	
Derivatives and other financial assets	-	-	1,948	-	-	-	-	1,948	
Loans to customers (*)	1,363,569	-	8,755,189	14,869,062	6,485,989	7,705,118	2,191,054	41,533,482	
Investment securities (*)	-	1,363,497	300,000	300,000	450,000	1,200,000	350,000	4,676,497	
Long-term investments (*)	-	529	-	-	-	-	-	529	
Fixed assets	-	248,219	-	-	-	-	-	248,219	
Other assets (*)	-	1,241,824	-	-	-	-	-	1,241,824	
Total assets	1,363,569	3,078,593	32,156,559	18,069,062	6,935,989	8,905,118	2,541,054	73,926,445	
Liabilities									
Deposits and borrowings from the Government and the State Bank of Vietnam	-	-	419,069	-	-	-	-	419,069	
Deposits and borrowings from other credit institutions	-	-	17,760,560	2,900,000	-	-	-	20,660,560	
Deposits from customers	-	-	15,415,291	9,477,953	9,488,714	6,437,257	2,506,530	43,325,745	
Valuable papers issued	-	-	-	-	-	1,000,000	1,280,000	2,280,000	
Other liabilities	-	1,163,691	-	-	-	-	-	1,163,691	
Total liabilities	-	1,163,691	33,594,920	12,377,953	9,488,714	7,437,257	3,786,530	67,849,065	
On-balance sheet interest sensitivity gap	1,363,569	1,914,902	(1,438,361)	5,691,109	(2,552,725)	1,467,861	(1,245,476)	6,077,380	
Total interest sensitivity gap	1,363,569	1,914,902	(1,438,361)	5,691,109	(2,552,725)	1,467,861	(1,245,476)	6,077,380	

(*) Excluding provision for credit risk.

44. LIQUIDITY RISK

Liquidity risk is the risk that: (i) the Bank is unable to fulfil its obligations at the time financial obligations are incurred; or (ii) the Bank has ability to perform obligations at due date but must bear above average cost of market to fulfil those obligations. In order to reduce liquidity risk, the Bank maintains suitable structure of assets and liabilities, and simultaneously strengthens the capability of raising funds from various sources. The Bank has policies in place to manage highly liquid assets and to monitor future cash flows and liquidity status on a daily basis. Expected cash flows and availability of collaterals are also evaluated in case of need for funds.

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

- ▶ Balances with the SBV are considered current account, including the compulsory reserves and classified to a term of due within one month;
- ▶ The maturity term of trading securities is based on the actual maturity or the allowed remaining holding period whichever comes first;
- ▶ The maturity term of investment debt securities is based on the maturity date of each type of securities.
- ▶ The maturity terms of placements with and loans to other credit institutions and loans to customers are based on the contractual maturity date. The actual maturity term may vary from the contractual term when the contract is extended;
- ▶ The maturity date of equity investments is classified as over five (05) years as equity investments have no defined maturity;
- ▶ Deposits and borrowings from other credit institutions and deposits from customers are determined based on either the nature of the amounts or their contractual maturity terms. Vostro accounts are paid upon customers' demand and therefore are considered to have shortest term (due within one month). Demand deposits accounts from customers are segmented based on actual deposit retention time. The maturity of term deposits and borrowings is based on their contractual maturity date. In practice, such items may be revolved and therefore maintained for longer periods than their initial maturity term or the term deposits subject to early withdrawal or repayment (not complying with the contractual maturity date);
- ▶ The maturity date of fixed assets is classified as 5 years or more.

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The table below shows the Bank's exposure to liquidity risk as at 31 December 2024:

	Overdue		Current				Total
	Over 03 months	Due within 03 months	Due within 01 month	From 01 to 03 months	From 03 to 12 months	From 01 to 05 years	
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Assets							
Cash, gold and gemstones	-	-	224,524	-	-	-	224,524
Balances with the SBV	-	-	2,197,457	-	-	-	2,197,457
Placements with and loans to other credit institutions (*)	-	-	20,901,965	2,900,000	-	-	23,801,965
Derivatives and other financial assets	-	-	1,948	-	-	-	1,948
Loans to customers (*)	938,951	424,618	3,875,436	8,510,087	13,479,188	7,561,716	41,533,482
Investment securities (*)	-	-	300,371	299,978	1,650,034	1,721,534	4,676,497
Long-term investments (*)	-	-	-	-	-	-	529
Fixed assets	-	-	-	-	-	-	248,219
Other assets (*)	225,053	-	143,733	38,263	5,508	698,712	1,241,824
Total assets	1,164,004	424,618	27,645,434	11,748,328	15,134,730	9,981,962	73,926,445
Liabilities							
Deposits and borrowings from the Government and the State Bank of Vietnam	-	-	419,069	-	-	-	419,069
Deposits and borrowings from other credit institutions	-	-	17,760,560	2,900,000	-	-	20,660,560
Deposits from customers	-	-	15,415,291	9,477,953	15,925,971	2,506,530	43,325,745
Valuable papers issued	-	-	-	-	1,000,000	1,280,000	2,280,000
Other liabilities	-	-	556,649	223,405	338,758	44,579	1,163,691
Total liabilities	-	-	34,151,869	12,601,358	17,264,729	3,831,109	67,849,065
Liquidity gap	1,164,004	424,618	(6,506,435)	(853,030)	(2,129,999)	6,150,854	6,077,380

(*) Excluding provisions for credit risk.

45. CREDIT RISK

Credit risk is the possibility that the Bank may incur losses because its customers, clients and counterparties do not perform or fail to perform their contractual obligations. The Bank controls and manages credit risk by setting credit limits based on the risk tolerance level that the Bank specifies for individual customers and each industry and setting up the medium and long-term credit limit suitable for the structure of mobilization.

The Bank has established a credit quality review process to provide early identification of possible changes in financial position, repayment ability of debtors based on qualitative and quantitative factors. Credit limit for each customer is determined by the use of the credit scoring system, in which each customer is classified at a certain risk level. Customer's risk level is updated regularly. The Bank controls and manages credit risk by establishing an authorization limit for each branch based on its credit portfolio quality, management capability and geographical potentiality.

The Bank has developed a number of customer policies in order to select good customers and have suitable and consistent policies applicable to each customer. The Bank has developed a diversified range of products to meet customers' demands and established credit appraisal and approval procedures at branches and the Head Office for consistent implementation in the Bank's entire system to mitigate operational risks. In addition, in order to strengthen secured methods for loans and minimize operational risks, the Bank has also issued detailed guidance on guarantees for loans.

Financial assets that are overdue but not impaired

There are no financial assets that are overdue but not impaired are overdue loans for which specific provision balances required to be made in accordance with the accounting standards and regimes applicable to credit institutions in Vietnam and legal regulations relating to the preparation and presentation of financial statements.

Aging of financial assets overdue but not impaired as at 31 December 2024 is described below:

	Overdue			
	Under 90 days	91-180 days	181-360 days	Over 360 days
	VND million	VND million	VND million	VND million
Loans to customers	110,021	21,264	39,850	468,314

46. EXCHANGE RATES OF SOME FOREIGN CURRENCIES AT THE END OF THE YEAR

Currencies	As at 31/12/2024	As at 31/12/2023
USD	25,413	24,270
EUR	26,582	26,836
GBP	32,038	30,891
CHF	28,192	28,794
JPY	162.97	171.41
SGD	18,786	18,381
CAD	17,789	18,329
AUD	15,902	16,581

47. SUBSEQUENT EVENT

On 5 March 2025, the Bank announced unusual information according to Official Dispatch No. 224/2025/CV-PBG on the announcement of public offering of shares with the offering quantity of 80,000,000 shares, the offering price is VND 10,000 per share by the method of distributing the issuance of share purchase rights to existing shareholders.

Prepared by



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Approved by



Nguyen Thi Thu Ha
Chief Accountant

Approved by



Nguyen Van Huong
Chief Executive Officer

28 March 2025
