

**Vietnam Thuong Tin
Commercial Joint Stock Bank**

Consolidated financial statements

For the year ended 31 December 2024



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Commercial Joint Stock Bank**

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Vietnam Thuong Tin Commercial Joint Stock Bank

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Vietnam Thuong Tin Commercial Joint Stock Bank

GENERAL INFORMATION

THE BANK

Vietnam Thuong Tin Commercial Joint Stock Bank ("the Bank") is a joint stock commercial bank incorporated in the Socialist Republic of Vietnam.

The Bank is established under Operation License No. 2399/QĐ-NHNN issued by the State Bank of Vietnam ("the State Bank" or "the SBV") on 15 December 2006 and Business Registration Certificate No. 2200269805, amended the 28th on 28 August 2023, issued by Department of Planning Investment of Soc Trang Province. The Bank's Operation License No. 2399/QĐ/NHNN was replaced by the Establishment and Operation License No. 05/GP-NHNN issued by the SBV on 24 February 2023. The Bank is established under Establishment and Operation License No. 1900/QĐ-NHNN issued by the State Bank of Vietnam ("the State Bank" or "the SBV") on 12 September 2024 and Establishment and Operation License No. 2758/QĐ-NHNN issued by the SBV on 25 December 2024. The operating duration of the Bank is 50 years from 15 December 2006.

The current principal operations of the Bank during the year are to provide banking services including mobilizing and receiving short, medium and long-term deposits from various organizations and individuals; providing short, medium and long-term loans to various organizations and individuals based on the nature and capacity of the Bank's capital resources; foreign exchange, gold bar trading; international trade financing services; discount of commercial papers, bonds and other valuable papers; providing factoring services, cash management services, banking consultancy, finance, asset management, lease of the safe box; government bond, corporate bond trading; providing entrusting and entrusted loans; insurance agency; lease of part of offices, which are not fully used and owned by the Bank; settlement services and other banking services as allowed by the SBV.

Charter capital

The Bank's charter capital as at 31 December 2024 is VND7,139,413 million (31 December 2023: VND4,776,827 million).

Operational network

The Bank's head office is located at 47 Tran Hung Dao, Ward 3, Soc Trang City, Soc Trang Province, Vietnam. As at 31 December 2024, the Bank has one (1) head office, thirty (30) branches, one hundred and two (102) transaction offices in provinces and cities nationwide.

Subsidiary

As at 31 December 2024, the Bank has one (1) directly owned subsidiary as follow:

<u>Subsidiary</u>	<u>Operating License</u>	<u>Nature of Business</u>	<u>Share capital</u>	<u>Ownership</u>
Vietnam Thuong Tin Bank Asset Management Limited (Vietbank AMC)	Decision No. 3158/QĐ-NHNN issued by the SBV on 29 December 2010 and initial Business Registration Certificate No. 0310898270 issued by Department of Planning and Investment of Ho Chi Minh City for the sixth time on 12 June 2021.	Asset and liabilities management	VND5 billion	100%

The principal operations of the subsidiary during the year are managing the loans; managing and exploiting collaterals; managing collateral documents; restructuring the loans; trading the loans with other credit institutions.

Vietnam Thuong Tin Commercial Joint Stock Bank

GENERAL INFORMATION (Continued)

BOARD OF DIRECTORS

Members of Board of Directors during the year and as at the date of this report are as follows:

<u>Name</u>	<u>Position</u>	<u>Date appointment</u>
Mr. Duong Nhat Nguyen	Chairman	Appointed on 26 April 2021
Mr. Nguyen Huu Trung	Vice Chairman cum Independent member	Appointed on 26 April 2021
Ms. Le Thi Xuan Lan	Member	Appointed on 26 April 2021
Ms. Luong Thi Huong Giang	Member	Appointed on 26 April 2021
Ms. Quach To Dung	Member	Appointed on 26 April 2021

BOARD OF SUPERVISORS

Members of Board of Supervisors during the year and as at the date of this report are as follows:

<u>Name</u>	<u>Position</u>	<u>Date appointment</u>
Mr. Hua Ngoc Nghia	Chief Supervisor	Appointed on 26 April 2021
Ms. Nguyen Do Xuan Dung	Specialized member	Appointed on 26 April 2021
Mr. Mac Huu Danh	Specialized member	Appointed on 26 April 2021

BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT

Members of Board of Management and Chief Accountant during the year and as at the date of this report are as follows:

<u>Name</u>	<u>Position</u>	<u>Date appointment/ resignation re- appointment/Resignation</u>
Ms. Tran Tuan Anh	General Director	Appointed on 14 August 2023
Ms. Pham Thi My Chi	Deputy General Director	Re-appointed on 7 November 2024
	Chief Accountant	Appointed on 28 June 2024
Mr. Nguyen Tien Sy	Deputy General Director	Re-appointed on 1 April 2024
Mr. Pham Linh	Deputy General Director	Appointed on 15 January 2025
Mr. Pham Danh	Deputy General Director	Re-appointed on 1 February 2025
Ms. Ngo Tran Doan Trinh	Deputy General Director	Resigned on 23 October 2024
Mr. Do Khoa Hiep	Deputy General Director	Resigned on 31 May 2024
Mr. Nguyen Trong Phuc	Deputy General Director	Resigned on 15 April 2024
Ms. Tran Thi Lam	Deputy General Director	Resigned on 26 March 2024
Mr. Le Huy Dung	Deputy General Director	Resigned on 12 February 2024
Ms. Vo Nguyen Thanh Nhien	Chief Accountant	Resigned on 28 June 2024

LEGAL REPRESENTATIVE

The legal representative of the Bank during the year up to the date of this report is Ms. Tran Tuan Anh, General Director.

AUDITORS

The auditor of the Bank is Ernst & Young Vietnam Limited.

Vietnam Thuong Tin Commercial Joint Stock Bank

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Vietnam Thuong Tin Commercial Joint Stock Bank ("the Bank") is pleased to present its report and the consolidated financial statements of the Bank and its subsidiary for the year then ended 31 December 2024.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of the Bank is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Bank and its subsidiary and of the results of their consolidated operation and their consolidated cash flows for the year. In preparing these consolidated 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 standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiary will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and its subsidiary and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and its subsidiary and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management confirms that the Bank and its subsidiary have complied with the above requirements in preparing the accompanying consolidated financial statements for the financial year ended 31 December 2024.

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management of the Bank does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiary as at 31 December 2024, the results of their consolidated operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to preparation and presentation of consolidated financial statements.



Ms. Tran Tuan Anh
General Director

Soc Trang City, Vietnam *Ch*

31 March 2025

Reference: 12857966/68461453-HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Vietnam Thuong Tin Commercial Joint Stock Bank

We have audited the accompanying consolidated financial statements of Vietnam Thuong Tin Commercial Joint Stock Bank ("the Bank") and its subsidiary as prepared on 31 March 2025 and set out on pages 6 to 76, which comprise of the consolidated statement of financial position as at 31 December 2024, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Board of Management of the Bank is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to preparation and presentation of the consolidated financial statements, and for such internal control as Board of Management of the Bank determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

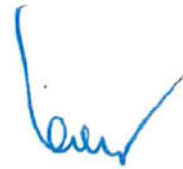
Audit opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiary as at 31 December 2024, and the results of their consolidated operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited



Vu Tien Dung
Deputy General Director
Audit Practicing Registration
Certificate No. 3221-2025-004-1



A handwritten signature in blue ink, likely belonging to the auditor.

Hoang Thi Hong Minh
Auditor
Audit Practicing Registration
Certificate No. 0761-2023-004-1

Ho Chi Minh City, Vietnam

31 March 2025

Vietnam Thuong Tin Commercial Joint Stock Bank

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

B02/TCTD-HN

	<i>Notes</i>	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
ASSETS			
Cash	5	548,602	535,889
Balances with the State Bank of Vietnam ("SBV")	6	7,024,700	9,408,855
Due from and loans to other credit institutions		35,921,200	26,547,538
Due from other credit institutions	7.1	34,021,200	26,547,538
Loans to other credit institutions	7.2	1,900,000	-
Held-for-trading securities		340,337	1,076,343
Held-for-trading securities	8	340,337	1,076,343
Derivatives and other financial assets	9	89,061	19,848
Loans to customers		92,493,074	79,976,558
Loans to customers	10	93,637,036	80,754,430
Provision for credit losses	11	(1,143,962)	(777,872)
Investment securities		22,417,404	16,440,405
Available-for-sale securities	12.1	2,729,322	346,650
Held-to-maturity securities	12.2	19,688,082	16,093,755
Provision for investment securities	12.2	-	-
Long-term investments		-	-
Other long-term investments		-	1,400
Provision for long-term investments		-	(1,400)
Fixed assets		698,874	808,768
<i>Tangible fixed assets</i>	13	543,433	601,342
Cost		1,125,997	1,146,737
Accumulated depreciation		(582,564)	(545,395)
<i>Intangible fixed assets</i>	14	155,441	207,426
Cost		385,100	398,979
Accumulated amortization		(229,659)	(191,553)
Other assets		3,322,080	3,443,869
Receivables	15.1	617,707	569,392
Interest and fees receivable	15.2	2,560,595	2,707,549
Other assets	15.3	157,326	177,936
Provision for other assets	15.4	(13,548)	(11,008)
TOTAL ASSETS		162,855,332	138,258,073

Vietnam Thuong Tin Commercial Joint Stock Bank

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

B02/TCTD-HN

	<i>Notes</i>	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
LIABILITIES			
Borrowings from the Government and the SBV	16	222,891	9,020
Due to and borrowings from other credit institutions		38,416,167	26,621,774
Due to other credit institutions	17.1	33,042,361	23,139,484
Borrowings from other credit institutions	17.2	5,373,806	3,482,290
Due to customers	18	94,841,470	89,995,715
Valuable papers issued	19	17,678,260	11,551,170
Other liabilities		2,995,491	3,184,735
Interests and fees payable	20.1	2,568,503	2,929,598
Other payables	20.2	426,988	255,137
TOTAL LIABILITIES		154,154,279	131,362,414
OWNERS' EQUITY			
Share capital	22.1	7,139,413	4,776,827
Share premium	22.1	(237)	-
Statutory reserves	22.1	675,985	495,800
Undistributed profit	22.1	885,892	1,623,032
TOTAL OWNERS' EQUITY		8,701,053	6,895,659
TOTAL LIABILITIES AND OWNERS' EQUITY		162,855,332	138,258,073

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 THƯƠNG TÍN
 VIỆT NAM

Vietnam Thuong Tin Commercial Joint Stock Bank

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

B02/TCTD-HN

CONSOLIDATED OFF-BALANCE-SHEET ITEMS

	<u>Notes</u>	<u>Ending balance VND million</u>	<u>Beginning balance VND million</u>
Guarantee for loans		50	50
Foreign exchange commitments	34.1	35,401,945	18,310,221
- <i>Spot foreign exchange commitments - buy</i>		3,330,715	1,405,237
- <i>Spot foreign exchange commitments - sell</i>		83,194	1,405,388
- <i>Swap commitments</i>		31,988,036	15,499,596
Letters of Credit	34.2	21,773	(2,654)
Other guarantees	34.2	825,609	1,030,439
Other commitments	34.2	8,804,949	6,707,990
Interest and receivable fees not yet collected	34.3	930,391	740,310
Written-off debts	34.4	381,176	404,171
Assets and other documents	34.5	212,919	410,669
TOTAL		<u>46,578,812</u>	<u>27,601,196</u>

Soc Trang City, Vietnam
31 March 2025

Prepared by:

Reviewed by:

Approved by:





Ms. Tran Thi Minh Chau
General Accountant

Ms. Pham Thi My Chi
Chief Accountant

Ms. Tran Tuan Anh
General Director

Vietnam Thuong Tin Commercial Joint Stock Bank

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2024

B03/TCTD-HN

	Notes	Current year VND million	Previous year VND million
Interest and similar income	24	9,721,857	9,760,915
Interest and similar expenses	25	(6,910,284)	(7,761,017)
Net interest and similar income		2,811,573	1,999,898
Fee and commission income		231,629	189,796
Fee and commission expenses		(94,903)	(86,448)
Net fee and commission income	26	136,726	103,348
Net gain from trading of foreign currencies	27	80,215	65,295
Net gain from trading of investment securities	28	19,009	77,648
Other operating income		463,620	161,312
Other operating expenses		(9,780)	(10,665)
Net gain from other operating activities	29	453,840	150,647
TOTAL OPERATING INCOME		3,501,363	2,396,836
Personnel expenses		(759,118)	(666,384)
Depreciation and amortization charges		(101,538)	(98,915)
Other operating expenses		(704,570)	(704,424)
TOTAL OPERATING EXPENSES	30	(1,565,226)	(1,469,723)
Net operating profit before provision for credit losses		1,936,137	927,113
Provision expense of provision for credit losses	11	(804,839)	(115,168)
PROFIT BEFORE TAX		1,131,298	811,945
Current corporate income tax expense	21.1	(230,373)	(165,079)
PROFIT AFTER TAX		900,925	646,866
Basic earnings per share (VND/share)	23	1,656	1,033

Soc Trang City, Vietnam
31 March 2025

Prepared by:



Ms. Tran Thi Minh Chau
General Accountant

Reviewed by:



Ms. Pham Thi My Chi
Chief Accountant

Approved by:



Ms. Tran Tuan Anh
General Director

Vietnam Thuong Tin Commercial Joint Stock Bank

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2024

B04/TCTD-HN

	<i>Notes</i>	<i>Current year VND million</i>	<i>Previous year VND million</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar receipts		9,868,811	8,704,639
Interest and similar payments		(7,271,379)	(6,895,930)
Net fee and commission receipts	26	136,726	103,348
Net receipts from dealing in foreign currencies, gold and securities		99,224	142,943
Other income		(9,335)	4,066
Recoveries from bad debts previously written-off	29	463,175	149,750
Payments for operating and salary expenses		(1,358,889)	(1,329,279)
Corporate income tax paid during the year	21	(247,156)	(108,743)
Net operating cash flows before changes in operating assets and liabilities		1,681,177	770,794
<i>Changes in operating assets</i>			
Decrease/(Increase) in due from and loans to other credit institutions		(1,900,000)	200,000
(Increase)/Decrease in investment securities		(2,240,993)	5,963,455
Decrease in derivatives and other financial assets		(69,213)	(229)
Increase in loans to customers		(12,882,606)	(17,121,464)
Decrease in allowance for credit losses		(463,175)	-
Decrease in other assets		56,675	1,648,609
<i>Changes in operating liabilities</i>			
Decrease in due to Government and the SBV		213,871	(1,257,369)
Increase/(Decrease) in due to and borrowings from other credit institutions		11,794,393	6,237,066
Increase in customer deposits		4,845,755	14,007,491
Increase/(Decrease) in valuable papers issued		6,127,090	6,429,000
(Decrease)/Increase in other liabilities		447,358	(7,028)
Net cash flows from operating activities		7,610,332	16,870,325
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(443,142)	(125,221)
Proceeds from disposal of investment properties		324	-
Net cash flows used in investing activities		(442,818)	(125,221)

Vietnam Thuong Tin Commercial Joint Stock Bank

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

B04/TCTD-HN

	<u>Notes</u>	<u>Current year VND million</u>	<u>Previous year VND million</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in share capital from capital contributions and/or share issuance		934,706	-
Net cash flows from financing activities		934,706	-
Net cash flows during the year		8,102,220	16,745,104
Cash and cash equivalents at the beginning of the year	31	36,492,282	19,747,178
Cash and cash equivalents at the end of the year	31	44,594,502	36,492,282

Soc Trang City, Vietnam
31 March 2025

Prepared by:



Ms. Tran Thi Minh Chau
General Accountant

Reviewed by:



Ms. Pham Thi My Chi
Chief Accountant

Approved by:



Ms. Tran Tuan Anh
General Director



Vietnam Thuong Tin Commercial Joint Stock Bank

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

B05/TCTD-HN

1. THE BANK'S INFORMATION

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

The bank was established under License No. 2399/QD/NHNN issued by the State Bank of Vietnam on 15 December 2006, and Business Registration Certificate No. 2200269805 issued by the Department of Planning and Investment of Soc Trang Province on January 12, 2007, with the 28th amendment made on 28 August 2023. License No. 2399/QD/NHNN of the bank has been replaced and supplemented by Establishment and Operation License No. 05/GP-NHNN issued by the State Bank of Vietnam on 24 February 2023. The Bank was established under Establishment and Operation License No. 1900/QD-NHNN issued by the State Bank of Vietnam on 12 September 2024 and Establishment and Operation License No. 2758/QD-NHNN issued by the State Bank of Vietnam on 25 December 2024. The bank's operating period is 50 years from 15 December 2006.

The current principal operations of the Bank during the year are to provided banking services including mobilizing and receiving short, medium and long-term deposits from various organizations and individuals; providing short, medium and long-term loans to various organizations and individuals based on the nature and capacity of the Bank's capital resources; foreign exchange, gold bar trading; international trade financing services; discount of commercial papers, bonds and other valuable papers; providing factoring services, cash management services, banking consultancy, finance, asset management, lease of the safe box; government bond, corporate bond trading; providing entrusting and entrusted loans; insurance agency; lease of part of offices, which are not fully used and owned by the Bank; settlement services and other banking services as allowed by the SBV.

Charter capital

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Operation network

The Bank's head office is located at 47 Tran Hung Dao, 3rd Ward, Soc Trang City, Soc Trang Province, Vietnam. As at 31 December 2024, the Bank has one (1) head office, thirty (30) branches, one hundred and two (102) transaction offices in provinces and cities nationwide.

Employees

The Bank and its subsidiary have 2,864 employees as at 31 December 2024 (31 December 2023: 2,555 employees).

Subsidiary

As at 31 December 2024, the Bank has one (1) directly owned subsidiary as follow:

<i>Subsidiary</i>	<i>Operating License</i>	<i>Nature of Business</i>	<i>Share capital</i>	<i>Ownership</i>
Vietnam Thuong Tin Bank Asset Management Limited ("Vietbank AMC")	Decision No. 3158/QĐ-NHNN issued by the SBV on 29 December 2010 and initial Business Registration Certificate No. 0310898270 issued by Department of Planning and Investment of Ho Chi Minh City for the sixth on 12 June 2021.	Asset and liabilities management	VND5,000 million	100%

The principal operations of the subsidiary during the year are managing the loans; managing and exploiting collaterals; managing collateral documents; restructuring the loans; trading the loans with other credit institutions.

Vietnam Thuong Tin Commercial Joint Stock Bank

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

B05/TCTD-HN

2. FISCAL YEAR AND ACCOUNTING CURRENCY

2.1 *Fiscal year*

Fiscal year applicable for the preparation of the Bank' consolidated financial statements starts on 1 January and ends on 31 December.

2.2 *Accounting currency*

The consolidated financial statements are prepared in Vietnam dong ("VND") which is also the Bank's currency. For the purpose of preparing these consolidated financial statements as at 31 December 2024, the data is rounded to millions and expressed in millions of Vietnam dong ("VND million"). This presentation does not impact the views of the readers of the financial statements on the consolidated statement of financial position, the consolidated income statement and the consolidated cash flows.

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM

3.1 *Statement of compliance*

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

3.2 *Accounting standards and system*

The consolidated financial statements of the Bank and its subsidiary have been prepared in accordance with the accounting system applicable to credit institutions required under Decision No. 479/2004/QĐ-NHNN issued on 29 April 2004, Circular No. 10/2014/TT-NHNN dated 20 March 2014 and Circular No. 22/2017/TT-NHNN dated 29 December 2017 amending and supplementing Decision No. 479/2004/QĐ-NHNN; Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of the financial reporting regime applicable to credit institution required under Decision No. 16/2007/QĐ-NHNN and others Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM (continued)

3.2 Accounting standards and system (continued)

Accordingly, the accompanying the consolidated financial statements and their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Items or balances required by Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 and Circular No. 27/2021/TT-NHNN dated 31 December 2021 on the financial reporting regime for credit institutions issued by the State Bank of Vietnam, which includes items with zero balances.

3.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiary as at 31 December 2024.

The financial statements of the Bank and its subsidiary are prepared for the same reporting period and using consistent accounting policies.

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

The financial statements of subsidiary are fully consolidated from the date when the control is transferred to the Bank. The control is achieved when the Bank has the power, directly or indirectly, to govern the financial and operating policies of subsidiary so as to obtain economic benefits from their activities. Business operating results of subsidiary acquired or disposed during the year are accounted appropriately in the consolidated income statement from the date of acquisition or up to the date of disposal.

3.4 Basis of assumptions and uses of estimates

The preparation of the consolidated financial statements requires the Board of Management make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provisions. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty. Therefore, actual results may differ from estimates resulting in future changes in such items.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Change in accounting policies and disclosures

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

The Law on Credit Institutions No. 32/2024/QH15 dated 18 January 2024, regulates the establishment, organization, operation, early intervention, special control, reorganization, dissolution and bankruptcy of credit institutions; establishment, organization, operation, early intervention, dissolution and termination of operations of branches of foreign banks; establishment and operation of representative offices in Vietnam of foreign credit institutions and other foreign institutions performing banking operations; settlement of bad debts and collateral of bad debts of credit institutions, branches of foreign banks and wholly state-owned organizations authorized to buy, sell and settle debts. This law takes effect from 1 July 2024.

Decree No. 86/2024/NĐ-CP regulates amounts and methods of establishing risk provisions and use of provisions for management of risks arising from operations of credit institutions and foreign bank branches and cases in which credit institutions allocate forgivable interest ("Decree 86").

Decree 86 takes effect from 11 July 2024, replaces the regulations related to the provisioning levels and methods for risk provisions, as well as the use of provisions to address risks in Circular 11/2021/TT-NHNN ("Circular 11"). The Bank has implemented the provisioning and utilization of risk provisions in accordance with the regulations of Decree 86 during the year.

Circular 31/2024/TT-NHNN ("Circular 31") regulates the classification of assets in the operations of commercial banks, non-bank credit institutions, and foreign bank branches.

Circular 31/2024/TT-NHNN ("Circular 31") regulates the classification of assets in the operations of commercial banks, non-bank credit institutions, and foreign bank branches, effective from 11 July 2024, replacing Circular 11. Circular 31 amends the regulations related to debt classification in Circular 11. The main changes of Circular 31 affect the estimation of provisions as follows: it adds principles for classifying debts arising from letter of credit operations, outright purchase of documents presented under letters of credit, and some other operations.

Circular 21/2024/TT-NHNN ("Circular 21") stipulates the regulations concerning the operations of letters of credit and other business activities related to letters of credit.

Circular 21 take effect from 1 July 2024. The operations of letters of credit are regarded as a form of credit extension through the issuance, confirmation, negotiation, payment, and reimbursement of letters of credit. Contracts and agreements related to this operation signed prior to the effective date of Circular 21 shall continue to be executed until their expiration and the completion of obligations. Amendments, supplements, and extensions may only be made if they are in accordance with Circular 21.

Circular 06/2024/TT-NHNN ("Circular 06") dated 18 June 2024, amends and supplements certain provisions of Circular 02/2023/TT-NHNN ("Circular 02") dated 23 April 2023, issued by the Governor of the State Bank of Vietnam, which regulates the restructuring of debt repayment terms and the maintenance of debt classification by credit institutions and foreign bank branches to support customers facing difficulties. This Circular shall take effect from 18 June 2024.

Circular 53/2024/TT-NHNN ("Circular 53") dated 4 December 2024, stipulates the restructuring of debt repayment terms by credit institutions and foreign bank branches for customers facing difficulties due to the impacts and damages caused by Storm No. 3, including flooding, landslides, and other related disasters. This Circular shall take effect from 04 December 2024.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**4.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, current accounts at the SBV, current deposits and placements with banks with an original maturity of three months or less from the transaction date, securities with recovery or maturity of three months or less from date of purchase which can be converted into a known amount of cash and do not bear the liquidity risk.

4.3 Deposits and loans to other credit institutions

Due from and loans to other credit institutions are presented at the principal amounts outstanding at the end of the financial year.

The classification of credit risk for deposits and loans to other credit institutions, along with the corresponding provisions, is carried out in accordance with the regulations of Decree 86 and Circular 31, which govern asset classification, provisioning rates, provisioning methods, and the utilization of provisions for risk management in the operations of credit institutions and foreign bank branches.

Accordingly, the Bank and its subsidiary makes a specific provision for placements with (except for current accounts) and loans to other credit institutions in accordance with the method described in *Note 4.5*.

According to Decree 86, the Bank is not required to make general provisions for deposits with and loans to other credit institutions.

According to Circular 31, for deposits held by credit institutions that are under special control as stipulated in Clause 9, Article 174 of the Law on Credit Institutions No. 32/2024/QH15, the Bank classifies these deposits as standard debt.

4.4 Loans to customers

Loans to customers are presented at the principal amounts outstanding at the end of the financial year. Provisions for credit risk of customer loans shall be accounted for and presented as a consolidated line item on the consolidated financial statements.

Short-term loans are loans with term of less than one year from the date of disbursement. Medium-term loans have term of 1 to 5 years from the date of disbursement. Long-term loans are loans with term of over 5 years from the date of disbursement.

The classification of debt and the establishment of credit risk provisions are carried out in accordance with Decree 86 and Circular 31, as presented in *Note 4.5*.

4.5 Loan classification and provision for credit losses applied to due from and loans to other credit institutions, unlisted corporate bonds purchased and entrusted for purchase by the Bank and its subsidiary, loans to customers, entrusted for grant by the Bank and its subsidiary and other credit risk bearing assets**4.5.1 Debt classification and credit risk provisioning**

The classification of debt for deposits and loans to other credit institutions, purchases and delegated purchases of unlisted corporate bonds, customer loans, delegated credit facilities, and credit risk assets (collectively referred to as "debts") is carried out using quantitative methods prescribed in Article 10 of Circular 31. According to this method, loans to customers are classified into the following risk categories: Standard Debt, Watchlist Debt, Substandard Debt, Doubtful Debt, and Loss Debt based on delinquency status. Debts classified as Substandard, Doubtful, and Loss are considered non-performing loans.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses applied to due from and loans to other credit institutions, unlisted corporate bonds purchased and entrusted for purchase by the Bank and its subsidiary, loans to customers, entrusted for grant by the Bank and its subsidiary and other credit risk bearing assets* (continued)

4.5.1 *Debt classification and credit risk provisioning* (continued)

The general provision as of 31 December 2024, is established at a rate of 0.75% of the total outstanding balance as of 31 December 2024, of debts excluding deposits and loans to other credit institutions and purchases of commercial papers, bonds, deposit certificates, and bonds issued by other domestic branches of foreign banks and credit institutions.

The specific provisions as of 31 December 2024 are determined by multiplying the remaining balance after deducting the value of collateral assets by the provision rate according to the classification of debt groups as of 31 December 2024. The determination of the value and deduction value of each type of collateral asset is specified in Decree 86.

The specific provision rates for each group are presented as follows:

Group		Quantitative loan classification	Provision rate
1	Current	(a) Current debts are assessed as fully and timely recoverable for both principals and interests; or (b) Debts are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	0%
2	Special mention	(a) Debts are overdue for a period of between 10 days and 90 days; or (b) Debts of which the repayment terms are restructured for the first time.	5%
3	Sub - Standard	(a) Overdue debts from 91 days to 180 days; or (b) Restructured debts for the first time; or (c) Debts waived or reduced interest due to customers' inability to fully repay according to the agreement; or (d) Debts falling into one of the following cases that have not been recovered within 30 days from the date of the recovery decision: <ul style="list-style-type: none"> ▪ Debt violating the provisions of Clauses 1, 3, 4, 5, 6 of Article 134 of the Law on Credit Institutions; or ▪ Debt violating the provisions of Clauses 1, 2, 3, 4 of Article 135 of the Law on Credit Institutions; or ▪ Debt violating the provisions of Clauses 1, 2, 5, 9 of Article 136 of the Law on Credit Institutions. (e) Debts within the recovery period according to inspection or examination conclusions; (f) Debts to be recovered according to the pre-maturity recovery decision of a credit institution, foreign bank branch due to customers' violation of credit contracts with the credit institution, foreign bank branch, which have not been recovered within 30 days from the date of the recovery decision; or (g) Upon request by the State Bank of Vietnam based on inspection results, supervision, and related credit information.	20%

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses applied to due from and loans to other credit institutions, unlisted corporate bonds purchased and entrusted for purchase by the Bank and its subsidiary, loans to customers, entrusted for grant by the Bank and its subsidiary and other credit risk bearing assets* (continued)

4.5.1 *Debt classification and credit risk provisioning* (continued)

Group		Quantitative loan classification	Provision rate
4	Doubtful	<ul style="list-style-type: none"> (a) Overdue debts from 181 days to 360 days; or (b) Restructured debts with the first overdue payment exceeding 90 days according to the first restructuring period; or (c) Restructured debts with the second restructuring period; or (d) Debts specified in point (d) of Group 3 debts that have not been recovered within 30 to 60 days from the date of the recovery decision; or (e) Debts to be recovered according to inspection or examination conclusions, but exceeding the recovery period stated in the inspection conclusion by up to 60 days and still not recovered. (f) Debts to be recovered according to the pre-maturity recovery decision of a credit institution, foreign bank branch due to customers' violation of the agreement with the credit institution, foreign bank branch, which have not been recovered within 30 to 60 days from the date of the recovery decision; or (g) Upon request by the State Bank of Vietnam based on inspection results, supervision, and related credit information. 	50%
5	Loss	<ul style="list-style-type: none"> (a) Overdue debts exceeding 360 days; or (b) Restructured debts with the first overdue payment of 91 days or more according to the first restructuring period; or (c) Restructured debts with the second restructuring period and overdue according to the second restructuring period; or (d) Restructured debts with the third or subsequent restructuring period, whether overdue or not; or (e) Debts specified in point (d) of Group 3 debts that have not been recovered within more than 60 days from the date of the recovery decision; or (f) Debts to be recovered according to inspection conclusions but exceeding the recovery period stated in the inspection conclusion by more than 60 days and still not recovered; or (g) Debts to be recovered according to the pre-maturity recovery decision of a credit institution, foreign bank branch due to customers' violation of the agreement with the credit institution, foreign bank branch, which have not been recovered for more than 60 days from the date of the recovery decision; or (h) Debts of customers who are credit institutions announced by the State Bank of Vietnam to be placed under special control or foreign bank branches with frozen capital and assets; or (i) Upon request by the State Bank of Vietnam based on inspection results, supervision, and related credit information. 	100%

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses applied to due from and loans to other credit institutions, unlisted corporate bonds purchased and entrusted for purchase by the Bank and its subsidiary, loans to customers, entrusted for grant by the Bank and its subsidiary and other credit risk bearing assets* (continued)

4.5.1 *Debt classification and credit risk provisioning* (continued)

In case a customer has more than one debt with a bank and any of the debts are classified into a higher-risk debt group, the bank will classify the remaining debts of that customer into the corresponding higher-risk debt group based on the level of risk.

In the event that a customer's debt is classified into a lower-risk debt group than the group specified in the list provided by the Credit Information Center of Vietnam State Bank ("CIC"), the bank must adjust the debt classification results according to the debt group provided by CIC.

When a bank participates in lending with co-financing but not as the lead bank, the bank classifies the debts (including co-financing loans) of that customer into a higher-risk group based on the evaluation of both the lead bank and the participating bank.

4.5.2 *Restructuring repayment terms, interest waiver or reduction, fee waiver or reduction, maintaining the debt group to support customers:*

From 13 March 2020 to 30 June 2022, the Bank implemented a policy for restructuring debt repayment terms, waiving and reducing interest and fees, and maintaining the debt classification for loans that met the conditions of Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01"), Circular No. 03/2021/TT-NHNN ("Circular 03") dated 02 April 2021, and Circular No. 14/2021/TT-NHNN ("Circular 14") dated 7 September 2021, issued by the State Bank, which regulates the restructuring of debt repayment terms, waiving and reducing interest and fees, and maintaining debt classification by credit institutions and foreign bank branches to support customers affected by the COVID-19 pandemic.

<i>Disbursement date</i>	<i>Overdue status</i>	<i>Overdue period</i>	<i>Principle of maintaining the debt group</i>
Before 1 August 2021	Within the deadline or overdue by up to 10 days	From 30 March 2020 to 30 June 2022	Maintain the classified debt group at the most recent time before 23 January 2020 or the classified debt group at the most recent time before the first restructuring of the repayment term
Before 23 January 2020	Overdue	From 23 January 2020 to 29 March 2020	Maintain the classified debt group at the most recent time before 23 January 2020
From 23 January 2020, to 10 June 2020		From 23 January 2020 to 17 May 2021	Maintain the classified debt group at the most recent time before the date the debt was classified as overdue
From 10 June 2020 to 1 August 2021		From 17 July 2021 to 7 September 2021	

For loans, which repayment term was restructured, interest and/or fees were exempted or reduced, and loan classification was retained, are overdue under restructured repayment term and not continued to restructure under current regulations, the Bank makes loan classification and provision in accordance with Decree 86 and Circular 31.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Loan classification and provision for credit losses applied to due from and loans to other credit institutions, unlisted corporate bonds purchased and entrusted for purchase by the Bank and its subsidiary, loans to customers, entrusted for grant by the Bank and its subsidiary and other credit risk bearing assets (continued)

4.5.3 Specific provisions are made for customers with restructured loan balances, interest or fee exemptions or reductions, and maintained debt classification

The Bank makes specific provision for customers with debts that have been restructured on term basis and are subject to loan classification retention according to the following formula:

$$C = A - B$$

In which:

C: Additional specific provision;

A: Specific provision to be made for all outstanding loan balance of customers according to the results of loan classification under Decree 86 and Circular 31 (Note 4.5.1);

B: Total specific provision to be made for the outstanding balance of loans applying loan classification under the policy of loan classification retention (Note 4.5.2) and specific provision to be made for remaining loan balances of the customers according to the results of loan classification under Decree 86 and Circular 31 (Note 4.5.1).

Additional specific provision (called as C) is made by the Bank when preparing financial statements, ensuring the provisioning at as follows:

- ▶ For loans that fall under the policy of loan restructuring and loan classification retention as prescribed in Circular 01, Circular 03 and Circular 14:
 - By 31 December 2022: At least 60% of the additional specific provision must be made;
 - By 31 December 2023: 100% of the additional specific provision must be made.

4.5.4 Write-off bad debts

Provisions are recognized as an expense in the consolidated income statement and are utilized to address bad debts. According to Decree 86 and Circular 31, the Bank establishes a risk settlement committee to handle bad debts if they are classified in group 5 or if the borrower is an organization that is dissolved or bankrupt, or an individual who is deceased or missing.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Securities held for trading

4.6.1 Classification and recognition

Securities held for trading include debt securities purchased for trading purposes. Securities held for trading are initially recognized at cost on transaction date.

4.6.2 Measurement

Periodically, securities held for trading will be assessed for diminution in value.

Securities held for trading are recognized at the lower of book value of the securities and its market value. Provision for diminution in value of securities held for trading is made when book value of the securities is higher than its market value. The provision is not applicable to Government bonds, government-guaranteed bonds, and local government bonds. Provision for diminution is recognized to the consolidated income statement at "Net gain from securities held for trading".

Provision for securities held for trading which is mentioned above is reversed when the recoverable amount of securities held for trading increases after the provision is made as a result of an objective event. Provision is reversed up to the gross value of these securities before the provision is made.

Gains or losses from sales of trading securities are recognized in the consolidated income statement.

Interest derived from securities held for trading are recognized on cash basis in the consolidated income statement.

4.6.3 De-recognition

Securities held for trading are de-recognized when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards of ownership of these securities.

4.7 Available-for-sale securities

4.7.1 Classification and recognition

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

Available-for-sale debt securities are recognized at par value at the purchase date. Accrued interest (for debt securities with interest payment in arrears) and deferred interest (for debt securities with interest payment in advance) is recognized in a separate account. Discount/premium which is the difference between the cost and the amount being the par value plus (+) accrued interest (if any) or minus (-) deferred interest (if any) is also recognized in a separate account.

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



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 *Securities held for trading* (continued)

4.7.2 *Measurement*

Periodically, securities held for sale will be assessed for potential price reductions.

Securities held for sale are provisioned for price reductions when their carrying value exceeds the market value. The provision does not include Government bonds, Government-guaranteed bonds, and local government bonds. The provision for price reductions is recorded in the consolidated statement of comprehensive income under the item "*Net gain/(loss) from trading of investment securities*".

For corporate bonds that are not listed on the stock market or not traded on the trading market of public unlisted companies, the bank establishes provisions for risk according to Decree 86, as presented in Note 4.5 of the explanatory notes.

4.8 *Held-to-maturity securities*

Held-to-maturity investment securities are debt securities purchased by the Bank and its subsidiary for the investment purpose of earning dividend and the Bank and its subsidiary have the capability and intention to hold these investments until maturity. Held-to-maturity securities have the determined value and maturity date. In case the securities are sold before the maturity date, these securities will be reclassified to securities held for trading or available-for-sale securities.

Held-to-maturity securities are recognized in the similar as available-for-sale debt securities are presented in *Note 4.7*.

4.9 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price plus any directly attributable costs of bringing the asset to working condition for its intended use.

Cost related to additions, improvements and renewals are capitalized while expenditures for maintenance and repairs are charged to the consolidated income statement.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

4.10 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises of its purchase price plus any directly attributable costs of bringing the asset to working condition for its intended use.

Cost related to additions, improvements and renewals are capitalized while expenditures for maintenance and repairs are charged to the consolidated income statement.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Depreciation and amortization

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated under the straight-line method during the estimated useful lives of the assets as follows:

Buildings and structures	3 - 50 years
Transportation vehicles and transmission equipment	3 - 8 years
Machinery and equipment	6 - 10 years
Other tangible fixed assets	4 - 15 years
Computer software	3 - 15 years

Infinite land use rights granted by the Government are not amortized. Definite term land use rights are amortized over the term of use.

4.12 Leased assets

4.12.1 Lessee

Rentals under operating lease contracts are charged to the consolidated income statement as "Other operating expenses" on a straight-line basis over the term of the lease.

4.12.2 Lessor

The bank recognizes operating lease assets on the consolidated financial position report. Operating lease revenue is recognized on a straight-line basis in the 'Other Income' item on the consolidated income statement throughout the lease term, regardless of the payment method. Operating lease expenses, including depreciation of leased assets, are recognized as expenses in the year they are incurred.

4.13 Receivables

4.13.1 Receivables classified as credit risk assets

Receivables and outstanding loans sold on credit are classified as credit risk assets and recognized at cost. Overdue receivables are classified and made provision for credit risk by the Bank and its subsidiary in accordance with laws and regulations presented in Note 4.5.

4.13.2 Other receivables

Receivables other than receivables classified as credit risk assets are initially recognized at cost.

Provision for receivables is set up based on the aging schedule of overdue receivables or expected losses which may occur in case where the receivables have not been due for payment but an economic organization is bankrupted or liquidated; or individual debtor is missing, run away, being prosecuted, under a trial or serving sentences or dead. Provision expense is recognized into "Other operating expenses" for the year.

For overdue receivables, the provision level is determined as follows:

<u>Overdue</u>	<u>Provision rate</u>
From six (6) months up to less than one (1) year	30%
From one (1) year up to less than two (2) years	50%
From two (2) years up to less than three (3) years	70%
From three (3) years and above	100%

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 *Prepaid expenses and deferred expenses*

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

4.15 *Due to and borrowings from other credit institutions, customers deposits and valuable papers issued*

The debts of the State Bank of Vietnam, deposits and borrowings from other credit institutions, customer deposits, and issued risky securities are disclosed and presented based on the principal balance at the end of the accounting period. At the initial recognition, the issuance costs of bonds are deducted from the principal balance of the bonds. The bank gradually allocates these costs to "*Interest expenses and similar costs*" using a straight-line method appropriate to the term of the securities.

4.16 *Payables and accruals*

Payables and accrued expenses are recorded for amounts owed in the future related to goods and services received, regardless of whether the bank has received invoices from the suppliers or not.

4.17 *Classification for off-balance sheet commitments*

Off-balance sheet commitments include guarantees, acceptances and non-cancellable loan commitments with specific effective date.

The classification of off-balance sheet commitments is made solely for the purpose of managing and monitoring the quality of credit granting activities in accordance with the classification policy applicable to loans as described in Note 4.5.

According to Circular 31 and Decree 86, banks are not required to make provisions for off-balance sheet commitments.

4.18 *Fiduciary assets*

Assets held in trust or in a fiduciary capacity are not considered as assets of the Bank and its subsidiary and are not reported in the consolidated financial statements of the Bank and its subsidiary.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Derivatives

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

Currency forward contracts

The currency forward contracts are purchase/sale of foreign currencies commitments to settle in cash on a pre-determined future date based on pre-determined exchange rates. The currency forward contracts are recognized at nominal value at the transaction date and are revalued for the reporting purpose at the exchange rate at the reporting date, unrealized gain or losses are recognized in the "Foreign exchange differences" under "Owners' equity" in the consolidated statement of financial position and will be transferred to the consolidated income statement at the end of the financial year. The premium or discount derived from the difference between spot rate and forward rate are recorded at contract date as assets if positive or liabilities if negative in consolidated statement of financial position. The difference is amortized to the consolidated income statement on straight-line basis over the forward contract period.

Swap contracts

The swap contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates calculated on the notional principal amount. The premium or discount resulting from the difference between the spot rate at the effective date of the contract and the forward rate will be recognized immediately at the effective date of the contract as an asset if positive or a liability if the negative on the consolidated statement of financial position. The difference will be amortized on a straight-line basis over the life of the swap contract to the consolidated income statement.

4.20 Share capital

4.20.1 Ordinary Share

Common stocks are classified as equity capital

4.20.2 Surplus of Share Capital

The bank reflects in the surplus of share capital account the portion of the increase difference resulting from issuing shares at a premium over par value, as well as the increase or decrease difference compared to the repurchase price when reissuing treasury shares. Additional costs directly related to the issuance price of common shares are recorded as a deduction from the surplus of share capital.

4.20.3 Statutory reserves

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 *Recognition of income and expense*

Interest income and interest expense

Interest income and interest expenses are recognized in the consolidated income statement on an accrual basis. The accrued interest of debts which are classified in groups 2 to 5 in compliance with Circular 31 is not recognized in the consolidated income statement. The accrued interest income is reversed and monitored at off-balance sheet and recognized in the consolidated income statement upon actual receipt.

Service fees and commissions

Service fees and commissions are recognized when the services are provided.

Income from investment activities

The revenue from securities investment activities is determined based on the price difference between the selling price and the average cost of securities.

Dividends received in cash from investment activities are recognized as income when the bank's right to receive dividends is established. Dividends received in the form of additional shares and bonus shares are not recognized as income for the bank but are only updated in terms of the quantity of shares.

Other income

Other revenues are recognized based on the actual receipts.

According to Circular 16/2018/TT-BTC dated 7 February 2018, issued by the Ministry of Finance, which provides guidance on financial regulations for credit institutions and foreign bank branches, in cases where receivables that have been previously recognized as income are subsequently assessed as uncollectible or uncollectible at the due date, the bank shall reduce its revenue if it is in the same accounting period or recognize it as an expense if it is in a different accounting period. The bank should monitor these receivables off-balance sheet to facilitate collection. When these amounts are collected, the bank will recognize them as income in the consolidated financial statements.

4.22 *Debts trading operation*

The accounting treatment for debts purchased are recognized in accordance with Circular No. 09/2015/TT-NHNN dated 17 July 2015 and amended by Circular No. 18/2022/TT-NHNN dated 26 December 2022 providing guidance on the sale of debts of credit institutions and foreign bank branches.

Purchase debts

Debts purchased are initially recorded at purchase price and subsequently presented at cost less provision for credit losses. Price of debts purchased or sold is the settlement amount which the seller received under the debt purchase contract.

Debts purchased are initially classified in the risk group which is not lower than the risk group of the debts before the purchase. Subsequently, debts purchased are monitored, classified and provided for credit losses similar to normal loans to customers in accordance with Circular 31.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 *Debts trading operation* (continued)

Sale of debts

Revenue and expenses from debt sales are recognized in accordance with Circular No. 09/2015/TT-NHNN issued by the State Bank of Vietnam on 17 July 2015, as amended and supplemented by Circular No. 18/2022/TT-NHNN issued on 26 December 2022, regulating the debt trading activities of credit institutions and branches of foreign banks.

According to Circular No. 09/2015/TT-NHNN, the difference between the prices of debts purchased or sold and their book value are recorded as follows:

- ▶ For debts recorded in the consolidated statement of financial position:
 - If the sale price is higher than the book value of the debt, the difference shall be recorded as income of the Bank and its subsidiary in the year.
 - If the sale price is lower than the book value of the debt, the difference shall be used to offset against the indemnity paid by an individual or guarantor (in case such individual or guarantor is determined to be responsible for the damage and obliged to make indemnity under prevailing regulations), or the compensation paid by the insurer, or use of outstanding provision recognized as expense previously. The remaining balance (if any) shall be recognized as an operating expense of the Bank and its subsidiary in the year.
- ▶ For debts written-off and monitored off-balance sheet, the proceeds from sale of debts shall be recognized as other income of the Bank and its subsidiary.

Book value of debts sold is the book value of the principal, interest and related financial obligations (if any) of debts recorded in the statement of financial position or off-balance sheet at the date of debts sold; or the book value at the date of writing-off of debts; or the book value of debts written off previously at the date of debts sold.

Price of debts sold is the sum of consideration to be paid by a debt buyer to a debt seller under a debt purchase and sale contract.

4.23 *Foreign currency transactions*

In accordance with the accounting system of the Bank and its subsidiary, all transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the consolidated statement of financial position date (Note 40). Income and expenses arising in foreign currencies during the year are converted into VND at rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities are recognized and followed in the "Foreign exchange differences" under "Owners' equity" in the consolidated statement of financial position and will be transferred to the consolidated income statement at the end of the financial year.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.24 Corporate income tax

Current corporate income tax

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

Current corporate income tax is charged or credited to the consolidated income statement except when it relates to items recognized directly to equity, in this case the current corporate income tax is also recognized in equity.

Current corporate income tax assets and liabilities are offset when there is a legally enforceable right for the Bank and its subsidiary to offset current tax assets against current tax liabilities and when the Bank and its subsidiary intends to settle its current tax assets and liabilities on a net basis.

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

Deferred corporate tax

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

Deferred corporate income tax payable is recognized for temporary taxable differences, except where:

- ▶ The deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- ▶ Taxable temporary differences associated with investments in subsidiary, associates and joint-ventures where the Bank and its subsidiary have the ability to control the timing of the reversal of the temporary difference and the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized, except where:

- ▶ The deferred tax asset arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- ▶ For deductible temporary differences arising from investments in subsidiary, associates and joint ventures, deferred tax assets are recognized to the extent that it is probable that future taxable profits will become available temporary differences will be reversed in the foreseeable future and taxable profit will be available to utilize the temporary difference.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.24 Taxation (continued)

Deferred corporate tax (continued)

The carrying amount of deferred tax assets is reviewed at each consolidated statement of financial position date and reduced to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognized deferred tax assets are reassessed at each consolidated statement of financial position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset realized or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated statement of financial position date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

The company is only allowed to offset deferred income tax assets and deferred income tax liabilities when it has a legally enforceable right to offset current income tax assets against current income tax liabilities and when these deferred income tax assets and liabilities are related to corporate income tax managed by the same tax authority:

- ▶ For the same taxable entity; or
- ▶ The company plans to settle current income tax payable and current income tax assets on a net basis or simultaneously with the settlement of the liabilities in each future period when the significant components of the deferred income tax liabilities or deferred income tax assets are settled or realized.

4.25 Offsetting

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

4.26 Employee benefits

4.26.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank and its subsidiary by the Social Insurance Agency which belongs to the Ministry of Labor and Social Affairs. The Bank and its subsidiary are required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary and other allowance on a monthly basis. Other than that, the Bank and its subsidiary have no further obligation relating to post-employment benefits.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.26 *Employee benefits* (continued)

4.26.2 *Voluntary resignation benefits*

According to the Labor Code, the Bank and its subsidiary have the obligation, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date.

4.26.3 *Unemployment insurance*

From 1 January 2009, the Bank is required to contribute to the unemployment insurance fund at a rate of 1% of the wage and salary fund used as the basis for unemployment insurance contributions of employees participating in the scheme. Additionally, the Bank deducts 1% of each employee's monthly wage and salary for unemployment insurance contributions, which are paid simultaneously into the Unemployment Insurance Fund.

4.27 *Related parties*

The entities are considered related parties of the Bank and its subsidiary if one party has the ability, directly or indirectly, to control the other party or significantly influence the other party in financial and operational decisions, or when the Bank, its subsidiary, and the other party are subject to common control or significant joint influence. Related parties can be companies or individuals, including close family members.

4.28 *Segment reporting*

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

4.29 *Financial instruments*

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

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



4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.29 Financial instruments (continued)

Financial assets

Under Circular 210, financial assets of the Bank and its subsidiary include cash, gold, precious stones, balances with the SBV and due from other credit institutions, loans to customers and other credit institutions, trading and investment securities, receivables and other financial assets.

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

Financial asset at fair value through profit or loss

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

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

Held-to-maturity investments

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

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

Available-for-sale financial assets

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

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

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or measurable liquidity and are not listed in the market, except:

- a) Financial assets which the Bank intends to sell immediately or in the near future are assets held for trading purpose, and are recognized at fair value through profit or loss at the beginning;
- b) Financial assets which are classified as available-for-sale by the Bank at the beginning; or;
- c) Financial assets which holders may not recover most of original investments, not due to impairment of credit quality and are classified as available-for-sale.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.29 Financial instruments (continued)

Financial liabilities

Under Circular 210, financial liabilities of the Bank and its subsidiary include borrowings from the SBV, due to and borrowings from other credit institutions, due to customers, derivatives, other payables and other financial liabilities.

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

Financial liability at fair value through profit or loss:

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

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

Financial liabilities at amortized cost

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount 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.

4.30 Dividend income

The Bank and its subsidiary present basic earnings per share for common shares. Basic earnings per share is calculated by dividing the allocated profit or loss to the shareholders holding common shares of the Bank and its subsidiary (after adjusting for the allocation of bonus and welfare funds) by the weighted average number of common shares outstanding during the year.

If the issuance of shares during the year only results in a change in the number of shares without affecting the capital source, the Bank and its subsidiary will adjust the weighted average number of common shares outstanding presented in the consolidated financial statements accordingly, leading to a corresponding adjustment to the basic earnings per share measure.

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5. CASH

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
In VND	490,993	481,458
In foreign currencies	57,609	54,431
	548,602	535,889

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

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
In VND	6,967,475	9,364,161
In US Dollars (“USD”)	57,225	44,694
	7,024,700	9,408,855

Deposits at the State Bank of Vietnam (NHNN) include payment deposits and compulsory reserves at the State Bank of Vietnam. The average balance of payment deposits held by the Bank at the State Bank of Vietnam shall not be lower than the amount of required reserves for the month. The amount of required reserves for the month is calculated by multiplying the average balance of each type of deposit subject to compulsory reserves in the previous month by the corresponding reserve ratio.

The compulsory reserve rate regulated by the SBV at the end of the year as follows:

	<i>Ending balance</i> <i>% p.a</i>	<i>Beginning balance</i> <i>% p.a</i>
Demand deposits and deposits with term of less than 12 months in VND	3.00	3.00
Demand deposits and deposits with term of less than 12 months in foreign currencies	8.00	8.00
Deposits with term of from 12 months and above in VND	1.00	1.00
Deposits with term of from 12 months and above in foreign currencies	6.00	6.00

The actual annual interest rates for deposits at the State Bank of Vietnam (NHNN) are as follows

	<i>Ending balance</i> <i>% p.a</i>	<i>Beginning balance</i> <i>% p.a</i>
Compulsory reserves in VND	0.50	0.50
Compulsory reserves in foreign currency	0.00	0.00
Excess reserves in VND and foreign currency	0.00	0.00

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7. DUE FROM AND LOANS TO OTHER CREDIT INSTITUTIONS

7.1 Due from other credit institutions

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Demand deposits	1,474,084	342,998
In VND	91,611	52,682
In foreign currencies	1,382,473	290,316
Term deposits	32,547,116	26,204,540
In VND (*)	28,536,990	23,830,000
In foreign currencies	4,010,126	2,374,540
Total	34,021,200	26,547,538

Annual interest rates of due from other credit institutions at year-end are as follows:

	<i>Ending balance</i> <i>% p.a</i>	<i>Beginning balance</i> <i>% p.a</i>
Demand deposit		
- In VND	0.00	0.00
- In foreign currencies	0.00	0.00
Term		
- In VND	0.00 - 6.00	0.00 - 3.70
- In foreign currencies	4.75 - 5.10	5.30 - 5.65

(*) Including deposits for a special credit fund controlled with 0% interest rate according to the policy of the SBV Soc Trang Branch with the amount of VND66,000 million (31 December 2023: VND66,000 million).

7.2 Loans to other credit institutions

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
In VND	1,900,000	-

The annual interest rates of loans to other credit institutions are as follows:

	<i>Ending balance</i> <i>% p.a</i>	<i>Beginning balance</i> <i>% p.a</i>
In VND	5.50	Not application



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7. DUE FROM AND LOANS TO OTHER CREDIT INSTITUTIONS (continued)

7.3 Analysis of term deposits at and loans to other credit institutions by quality

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Current		
Term deposits	32,547,116	26,204,540
Loans to other credit institutions	1,900,000	-
	34,447,116	26,204,540

8. TRADING SECURITIES

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Debt securities		
Certificates of deposit issued by other domestic credit institutions	-	1,076,343
Debt securities issued by the Government (i)	340,337	-
	340,337	1,076,343

(i) Government bonds have terms from 10 years to 15 years, bear interest rates from 2.30% p.a. to 2.80% p.a., interest is paid annually, and the principal is paid at maturity.

Listing status of held-for-trading securities as at year-end is as follows:

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Government bonds		
- Listed	340,337	-
Debt securities issued by other domestic credit institutions		
- Unlisted	-	1,076,343
	340,337	1,076,343

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9. DERIVATIVES AND OTHER FINANCIAL LIABILITIES

	<i>Total contract nominal value (at contractual exchange rate) VND million</i>	<i>Total carrying value (at exchange rate as at year-end)</i>	
		<i>Assets VND million</i>	<i>Liabilities VND million</i>
As at 31 December 2024			
Currency swap contracts	-	-	-
Currency forward contracts	14,947,377	89,061	-
	14,947,377	89,061	-
Net amount		89,061	
As at 31 December 2023			
Currency swap contracts	975	5	-
Currency forward contracts	6,286,466	19,843	-
	6,287,441	19,848	-
Net amount		19,848	

10. LOANS TO CUSTOMERS

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Loans to domestic economic entities, households and individuals	93,223,372	80,576,002
Payments on behalf of customers	42,524	2,725
Loans by commercial bill discount and other valuable papers	371,140	175,703
	93,637,036	80,754,430

The annual interest rates of loans to customers at the end of the year are as follows:

	<i>Ending balance % p.a</i>	<i>Beginning balance % p.a</i>
In VND	0.30 - 29.25	0.30 - 29.25
In foreign currencies	4.00 - 7.40	3.00 - 9.40

10.1 Analysis of loans by quality

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Standard	90,288,767	77,114,842
Special mention	769,999	1,568,456
Substandard	583,717	397,017
Doubtful	496,483	251,044
Loss	1,498,070	1,423,071
	93,637,036	80,754,430

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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10. LOANS TO CUSTOMERS (continued)

10.2 Analysis of loans by original term

	Ending balance		Beginning balance	
	VND million	%	VND million	%
Short-term	58,480,666	62.45	50,433,686	62.45
Medium-term	17,826,226	19.04	12,850,110	15.92
Long-term	17,330,144	18.51	17,470,634	21.63
	93,637,036	100	80,754,430	100

10.3 Analysis of loans by types of customers and ownership

	Ending balance		Beginning balance	
	VND million	%	VND million	%
Household business, individuals	44,006,464	47.00	36,019,943	44.60
Other private limited companies	30,861,771	32.96	26,863,238	33.27
Other joint stock companies	17,817,151	19.03	16,588,494	20.54
Foreign direct invested companies	767,020	0.82	913,924	1.13
One-member limited liability companies with the State owning 100% of capital	124,128	0.13	227,058	0.28
Others	60,502	0.06	141,773	0.18
	93,637,036	100	80,754,430	100

10.4 Analysis of loans by economic sector

	Ending balance		Beginning balance	
	VND million	%	VND million	%
Households services, production of material products and services used by households	44,006,464	47.00	36,019,943	44.60
Real estate	17,228,200	18.40	16,015,253	19.83
Wholesale and retail trade, repair of motor vehicles, motor cycles and personal goods	8,177,995	8.73	8,465,055	10.48
Financial, banking and insurance activities	7,075,900	7.56	1,938,835	2.40
Construction	6,680,198	7.13	3,863,144	4.78
Processing and manufacturing	2,763,520	2.95	3,368,051	4.17
Accommodation and Dining Services	1,831,769	1.96	2,692,589	3.33
Healthcare and social assistance activities	1,511,411	1.61	1,716,476	2.13
Other service activities	4,361,579	4.66	6,675,084	8.28
	93,637,036	100	80,754,430	100

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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10. LOANS TO CUSTOMERS (continued)

10.5 Analysis of loans by currency

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
In VND	93,267,210	79,974,696
In USD	369,826	779,734
	93,637,036	80,754,430

11. PROVISION FOR CREDIT LOSSES

Provision expenses for the year comprised of:

	<i>Note</i>	<i>Current year VND million</i>	<i>Previous year VND million</i>
Specific provision charged for loans to customers	11	708,782	20,596
General provision charged for loans to customers	11	96,057	131,347
General provision reversed for bonds issued by the local economic entity	12.2	-	(29,307)
Provision reversed for other credit risk assets	15.4	-	(7,468)
		804,839	115,168

Results of loan classification as at 31 December 2024 and corresponding provision for loan losses as required by Decree 86, Circular 31 and the Bank's policy on loan classification and provision:

<i>Classification</i>	<i>Balance VND million</i>	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total provision VND million</i>
Standard	90,288,767	-	677,166	677,166
Special mention	769,999	8,977	5,775	14,752
Substandard	583,717	41,035	4,378	45,413
Doubtful	496,483	82,653	3,723	86,376
Loss	1,498,070	320,255	-	320,255
	93,637,036	452,920	691,042	1,143,962

Changes in provision for credit losses on loans to customers for the year ended as at 31 December 2024 are as follows:

	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total VND million</i>
Beginning balance	182,887	594,985	777,872
Provision charged for the year	708,782	96,057	804,839
Provision used	(438,749)	-	(438,749)
Ending balance	452,920	691,042	1,143,962

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11. PROVISION FOR CREDIT LOSSES (continued)

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

	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total provision VND million</i>
Beginning balance	162,291	463,638	625,929
Provision charged for the year	20,596	131,347	151,943
Ending balance	182,887	594,985	777,872

12. INVESTMENT SECURITIES

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Available-for-sale investment securities	2,729,322	346,650
Government bonds	298,843	146,650
Bonds issued by other domestic credit institution	2,430,479	200,000
Held-to-maturity investment securities	19,688,082	16,093,755
Government bonds	8,337,826	8,342,364
Bonds issued by other domestic credit institution	7,500,000	5,100,000
State Treasury	3,000,000	-
Deposit certificates issued by local credit institutions	850,256	2,651,391
	22,417,404	16,440,405

12.1 Available-for-sale investments securities

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Debt securities		
Government bonds (i)	298,843	146,650
Deposit certificates issued by other domestic credit institutions (ii)	2,430,479	200,000
	2,729,322	346,650

(i) Government bonds have terms from 10 years to 15 years, bear interest rates from 2.30% p.a. to 2.80% p.a., interest is paid annually, and the principal is paid at maturity.

(ii) Deposit certificates issued by other domestic credit institutions have terms from 7 months to 1 years, bear interest rates from 4.30% p.a. to 6.00% p.a., interest is paid annually and the principal is paid at maturity.

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12. INVESTMENT SECURITIES (continued)

12.1 Available-for-sale investments securities (continued)

Listing status of available-for-sale debt securities as at year-end is as follows:

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Government bonds		
- Listed	298,843	146,650
Debt securities issued by other domestic credit institutions		
- Unlisted	2,430,479	200,000
	2,729,322	346,650

12.2 Other held-to-maturity investment securities

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Debt securities		
Government bonds (i)	8,337,826	8,342,364
Deposit certificates issued by other domestic credit institutions (ii)	7,500,000	5,100,000
State treasury (iii)	3,000,000	-
Bond issued by the local economic entity (iv)	850,256	2,651,391
	19,688,082	16,093,755

- (i) Government bonds have terms from 10 years to 20 years, bear interest rate from 2.10% p.a to 3.60% p.a, interest is paid annually and the principal is paid at maturity.
- (ii) Deposit certificates issued by other domestic credit institutions have terms from 6 months to 1 year, bear interest rate from 5.90% p.a. to 7.50% p.a, interest is paid annually and the principal is paid at maturity.
- (iii) State treasury issued by the State Bank of Vietnam's Trading Center with a maturity of 28 days, bear interest rate from 3.99% p.a to 4.00% p.a, interest is paid at the beginning annually and the principal is paid at maturity.
- (iv) Bond issued by other domestic financial institutions with maturities ranging from 3 months to 15 months, fixed/float interest rates from 3.00% per annum to 5.875% per annum, interest payments made annually, with principal repayment on the maturity date.

In which, the Bank is using the number of Government bonds and bonds issued by other domestic credit institutions with a total value of VND1,200,000 million and VND28,000 million to ensure borrowings other credit institutions and granted limits for transactions conducted with the SBV (Note 33.2).

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12. INVESTMENT SECURITIES (continued)

12.2 Other held-to-maturity investment securities (continued)

Listing status of other held-to-maturity investment securities as at year-end is as follows:

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Face value VND million</i>	<i>Book value VND million</i>	<i>Face value VND million</i>	<i>Book Value VND million</i>
Government bonds	8,290,000	8,337,826	8,290,000	8,342,364
- <i>Listed</i>	8,290,000	8,337,826	8,290,000	8,342,364
Certificates of deposit	7,500,000	7,500,000	5,100,000	5,100,000
- <i>Unlisted</i>	7,500,000	7,500,000	5,100,000	5,100,000
Bonds issued by other domestic credit institutions	838,000	850,256	2,638,000	2,651,391
- <i>Listed</i>	538,000	550,256	538,000	551,391
- <i>Unlisted</i>	300,000	300,000	2,100,000	2,100,000
State Treasury	3,000,000	3,000,000	-	-
- <i>Unlisted</i>	3,000,000	3,000,000	-	-
	19,628,000	19,688,082	16,028,000	16,093,755

Movement of provision for held-to-maturity investment securities for the year is as follows:

	<i>Current year VND million</i>	<i>Previous year VND million</i>
Beginning balance	-	29,307
Provision reversed for the year	-	(29,307)
Ending balance	-	-

Listing status of held-to-maturity securities (excluding special bonds issued by government, State Treasury) is as follows:

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Standard		
Available-for-sale debt securities	2,430,479	200,000
Held-to-maturity investment securities	8,350,256	7,751,391
	10,780,735	7,951,391

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13. TANGIBLE FIXED ASSETS

Movement of tangible fixed assets during the year are as follows:

	Buildings and structures VND million	Office equipment VND million	Transportation vehicles VND million	Other tangible fixed assets VND million	Total VND million
Cost					
Beginning balance	655,139	298,964	160,548	32,086	1,146,737
Purchased in the year	412	3,356	-	-	3,768
Transferred from construction in progress	2,508	12,462	8,780	-	23,750
Disposals	(33,866)	(10,726)	(2,622)	(1,044)	(48,258)
Ending balance	624,193	304,056	166,706	31,042	1,125,997
Accumulated depreciation					
Beginning balance	246,795	138,754	132,366	27,480	545,395
Depreciation charge for the year	23,371	33,962	5,287	674	63,294
Disposals	(13,139)	(10,726)	(1,216)	(1,044)	(26,125)
Ending balance	257,027	161,990	136,437	27,110	582,564
Net book value					
Beginning balance	408,344	160,210	28,182	4,606	601,342
Ending balance	367,166	142,066	30,269	3,932	543,433

Cost of tangible fixed assets fully depreciated but still in use as at 31 December 2024 is VND276,925 million (as at 31 December 2023: VND265,843 million).

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14. INTANGIBLE FIXED ASSETS

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

	<i>Land use rights VND million</i>	<i>Computer software VND million</i>	<i>Total VND million</i>
Cost			
Beginning balance	59,600	339,379	398,979
Transferred from construction in progress	-	4,591	4,591
Disposals	(16,469)	-	(16,469)
Other decreases	-	(2,001)	(2,001)
Ending balance	<u>43,131</u>	<u>341,969</u>	<u>385,100</u>
Accumulated amortization			
Beginning balance	-	191,553	191,553
Amortization charge for the year	-	38,244	38,244
Other decreases	-	(138)	(138)
Ending balance	<u>-</u>	<u>229,659</u>	<u>229,659</u>
Net book value			
Beginning balance	<u>59,600</u>	<u>147,826</u>	<u>207,426</u>
Ending balance	<u><u>43,131</u></u>	<u><u>112,310</u></u>	<u><u>155,441</u></u>

Cost of intangible fixed assets fully depreciated but still in use as at 31 December 2024 is VND2,380 million (31 December 2023: VND2,380 million).

15. OTHER ASSETS

15.1 Receivables

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Constructions in progress (i)	330,020	35,834
Deposits for office rental	62,273	55,228
Advance to employees	56,898	25,192
Collateral, mortgage, and pledge (ii)	52,384	51,222
Receivables from remittance operation	31,890	19,551
Advance payment to supplier	22,914	9,490
Foreclosed assets not yet transferred to the Bank	12,300	12,300
Shortage of assets awaiting resolution	10,416	10,796
Advances for resolving of collaterals	10,188	10,188
Receivables from deferred payment letters of credit with immediate payment terms	-	309,805
Other receivables	28,424	29,786
	<u>617,707</u>	<u>569,392</u>
Provision for receivables	<u>(13,548)</u>	<u>(11,008)</u>
	<u>604,159</u>	<u>558,384</u>

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15. OTHER ASSETS (continued)

15.1 Receivables (continued)

(i) Constructions in progress include:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Land use rights at Tan Binh District, Ho Chi Minh City	86,800	-
Land use rights at District 3, Ho Chi Minh City	80,027	-
Land use rights at Binh Tri Dong Ward, Binh Tan District	50,020	-
Land use rights at An Cu Ward, Ninh Kieu District, Can Tho City	39,800	-
Renovation costs	34,700	8,714
Computer software	14,990	23,104
Land use rights at Highway 13, Quarter 2, My Phuoc Ward, Ben Cat, Binh Duong	9,870	-
Purchase of transportation vehicles	7,168	-
Other assets	6,645	4,016
	330,020	35,834

Changes in purchase of fixed assets for the year are as follows:

	<i>Current year</i> <i>VND million</i>	<i>Previous year</i> <i>VND million</i>
Beginning balance	35,834	17,739
Increase in the year	439,375	113,695
Transfer to tangible fixed assets	(23,750)	(30,500)
Transfer to intangible fixed assets	(4,591)	(12,900)
Transfer to prepaid expenses	(116,848)	(52,200)
Ending balance	330,020	35,834

(ii) Collateral, mortgage and pledge:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Visa deposit	50,779	50,011
Other deposit	1,605	1,211
	52,384	51,222

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15. OTHER ASSETS (continued)

15.2 Interest and fees receivable

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Interest receivable from loans to customers	2,053,697	2,264,204
Interest receivable from investment securities	345,606	339,131
Interest receivable from deposits	155,747	103,176
Interest and fees receivable from currency swap transactions	5,545	1,038
	2,560,595	2,707,549

15.3 Other assets

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Prepaid expenses (i)	91,372	119,499
Foreclosed assets (ii)	13,576	13,576
Tools and equipment	12,557	8,824
Others	39,821	36,037
	157,326	177,936

(i) Movement of prepaid expenses during the year is as follows:

	<i>Current year</i> VND million	<i>Previous year</i> VND million
Beginning balance	119,499	130,567
Increase in the year	569,397	811,760
Allocate in the year	(597,534)	(822,828)
Ending balance	91,362	119,499

(ii) Detail of foreclosed assets are real estates which the ownership was fully transferred to the Bank and its subsidiary and is awaiting for resolving

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Real estate	13,576	13,576

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15. OTHER ASSETS (continued)

15.4 Provision for other assets

The balance of provisions for other assets includes:

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Provision for other assets		
- Advances for resolving of collaterals	10,188	10,188
- Shortage of assets awaiting resolution	2,540	-
- Provision for other assets	820	820
	13,548	11,008

Movement of provision for other assets during the year are as follows:

	<i>Current year</i> VND million	<i>Previous year</i> VND million
Beginning balance	11,008	18,476
Provision charged/(reversed) for credit risk assets	2,540	(7,468)
Ending balance	13,548	11,008

16. BORROWINGS FROM THE GOVERNMENT AND THE SBV

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Borrowings from discounting valuable papers (i)	215,774	-
Refinancing loans to support housing loans (ii)	7,117	9,020
	222,891	9,020

- (i) Borrowings from discounting valuable papers at the year-end represent the sale of bonds to the SBV with a 14-day term, bearing an interest rate of 4% p.a.
- (ii) Borrowings from the SBV at the year-end represent refinancing loans under the VND 30,000 billion real estate support package, bearing an interest rate of 3.30% p.a. (31 December 2023: 3.50% p.a.).



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17. DUE TO AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

17.1 Due to other credit institutions

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Demand deposits	1,297	1,144
In VND	1,297	1,144
Term deposits	33,041,064	23,138,340
In VND	28,871,025	20,763,800
In USD	4,170,039	2,374,540
	33,042,361	23,139,484

Annual interest rate of due to other credit institutions at year-end is as follows:

	<i>Ending balance</i> <i>% p.a</i>	<i>Beginning balance</i> <i>% p.a</i>
Demand deposits in VND	0.00	0.00 - 0.30
Term deposits in VND	3.80 - 6.00	0.50 - 3.65
Term deposits in USD	4.75 - 5.10	5.10 - 5.70

17.2 Borrowings from other credit institutions

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
In VND	5,300,000	3,001,953
In USD	73,806	480,337
	5,373,806	3,482,290

The annual interest rates of borrowings from other credit at the end of the year are as follows:

	<i>Ending balance</i> <i>% p.a</i>	<i>Beginning balance</i> <i>% p.a</i>
In VND	5.50 - 6.20	5.92 - 6.57
In USD	5.05 - 5.38	5.99 - 6.89

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18. DUE TO CUSTOMERS

18.1 Analysis by products

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Demand deposits	4,596,959	7,411,858
Demand deposits in VND	4,549,855	7,333,797
Demand deposits in foreign currencies	47,104	78,061
Term deposits	7,974,942	8,183,181
Term deposits in VND	7,937,252	8,113,084
Term deposits in foreign currencies	37,690	70,097
Saving deposits	82,167,416	74,295,928
Saving deposits in VND	81,662,846	73,971,001
Saving deposits in foreign currencies	504,570	324,927
Margin deposits	95,918	91,550
Margin deposits in VND	95,910	91,542
Margin deposits in foreign currencies	8	8
Deposits for specific purposes	6,235	13,198
Deposits for specific purposes in VND	633	635
Deposits for specific purposes in foreign currencies	5,602	12,563
	94,841,470	89,995,715

Annual interest rates of due to customers at year-end are as follows:

	<i>Ending balance</i> <i>% p.a</i>	<i>Beginning balance</i> <i>% p.a</i>
Demand deposits in VND	0.00 - 0.50	0.00 - 0.50
Demand deposits in foreign currencies	0.00	0.00
Term deposits in VND	0.30 - 9.85	0.00 - 11.80
Term deposits in foreign currencies	0.00	0.00
Term saving deposits in VND	0.30 - 11.8	0.50 - 12.50
Term saving deposits in foreign currencies	0.00	0.00
Margin deposits in VND	0.00 - 7.10	0.00 - 10.70
Margin deposits in foreign currencies	0.00	0.00
Deposits for specific purposes in VND	0.00 - 0.30	0.00 - 0.30
Deposits for specific purposes in foreign currencies	0.00	0.00

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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18. DUE TO CUSTOMERS (continued)

18.2 Analysis by type of customers and by type of entities

	Ending balance		Beginning balance	
	VND million	%	VND million	%
Economic entities	7,757,034	8.18	10,794,346	11.99
Other joint-stock companies	4,017,289	4.24	4,655,181	5.17
Other private limited companies	1,639,999	1.73	3,529,950	3.92
State-owned companies	496,593	0.52	961,829	1.07
Operation administration entities, the Party, unions, and associations	562,878	0.59	689,489	0.76
Foreign direct invested enterprises	200,482	0.21	213,975	0.24
Co-operatives and unions of co-operatives	63,181	0.07	139,886	0.16
Two or more members limited liability companies with the State owning over 50% of capital or controlled by the State	76,199	0.08	67,117	0.07
One-member limited liability companies with the State owning 100% of capital	15,627	0.02	35,119	0.04
Private enterprises	2,903	0.00	1,326	0.00
Joint-stock companies with the State owning over 50% of capital or ordinary shares; or controlled by the State	12,237	0.01	288	0.00
Partnership companies	1,527	0.00	685	0.00
Others	668,119	0.70	499,501	0.56
Individuals	87,084,436	91.82	79,201,369	88.01
	94,841,470	100	89,995,715	100

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19. VALUABLE PAPERS ISSUED

Valuable papers issued by type of maturity are as follows:

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Certificate of deposits less than 1 year	13,215,000	8,020,000
Certificate of deposits over 5 year	771,090	-
Bonds having term over 5 years	3,692,170	3,531,170
	17,678,260	11,551,170

The annual interest rates applicable to valuable papers issued are as follows:

	<i>Ending balance</i> % p.a	<i>Beginning balance</i> % p.a
Certificates of deposit less than 1 year	5.50 - 6.20	5.80 - 10.50
Certificates of deposit over 1 year	7.80	Not applicable
Bonds having term over 5 years	7.18 - 7.80	7.45 - 10.10

20. OTHER LIABILITIES

20.1 Interest and fees payable

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Interest payables for deposits	2,033,740	2,460,277
Interest payable from valuable papers issued	419,475	432,258
Interest payables for borrowings	113,535	17,767
Interest and fees payable related to currency swap transactions	1,753	19,296
	2,568,503	2,929,598

20.2 Other liabilities

	<i>Ending balance</i> VND million	<i>Beginning balance</i> VND million
Internal payables	104,799	107,567
Payables to employees	91,651	35,284
Bonus and welfare fund (i)	13,148	72,283
External payables	322,189	147,570
Tax and other statutory obligations	70,055	82,503
Payments pending in payment operations	188,555	45,288
Unearned guarantee fee	16,434	11,177
Payable for remittance operation	46,374	5,252
Other payables	771	3,350
	426,988	255,137

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20. OTHER LIABILITIES (continued)

20.2 Other liabilities (continued)

(i) The increase/(decrease) of the bonus and welfare fund during the year are as follows:

	<i>Current year</i> <i>VND million</i>	<i>Previous year</i> <i>VND million</i>
Beginning balance	72,283	61,271
Appropriation in year	30,000	18,000
Utilization during the year	(89,135)	(6,988)
Ending balance	13,148	72,283

21. TAXES AND OTHER OBLIGATIONS TO THE STATE BUDGET

	<i>Beginning balance</i> <i>VND million</i>	<i>Movement during the year</i>		<i>Ending balance</i> <i>VND million</i>
		<i>Payables</i> <i>VND million</i>	<i>Paid</i> <i>VND million</i>	
Value added tax	1,874	21,756	(22,182)	1,448
Corporate income tax	77,444	230,373	(247,156)	60,661
Personal income tax	3,185	55,543	(50,782)	7,946
Other taxes	-	7,562	(7,562)	-
	82,503	315,234	(327,682)	70,055

21.1 Corporate income tax

The Bank and its subsidiary have the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits.

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

Current corporate income tax payables are determined based on taxable income of the year. Taxable income differs from the one reported in the consolidated income statement since taxable income excludes incomes which are taxable or expenses which are deducted in prior periods due to the differences between the Bank and its subsidiary's accounting policies and the tax regulations and excludes tax exempted income and non-deductible expenses. The current corporate income tax payable of the Bank and its subsidiary is calculated based on the statutory tax rates applicable at the year-end.

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

21.1 Corporate income tax (continued)

Provision for corporate income tax expense is computed as follows:

	<i>Current year</i> <i>VND million</i>	<i>Previous year</i> <i>VND million</i>
	<u> </u>	<u> </u>
Total profits before tax	1,131,298	811,945
Estimated income tax expense using tax rate applicable for the Bank and its subsidiary (20%)	226,260	162,389
Adjustments to increase	3,933	2,690
Non-deductible expenses	3,933	2,690
Adjustments to decrease	(29)	-
Income from real estate transfer	(15)	-
Loss carried forward from subsidiaries	(14)	-
Corporate income tax expense from business activities	230,164	165,079
Income from real estate transfer activities	75	-
Corporate income tax expense from real estate transfer activities	15	-
Additional tax payment from previous years	194	-
Current corporate income tax expense	<u>230,373</u>	<u>165,079</u>

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22. CAPITAL AND RESERVES

22.1 Movements of changes in owners' equity

Movements of changes in owners' equity of the Bank and its subsidiary during the year are as follows:

Item	Charter capital VND million	Financial reserve VND million	Capital supplementary reserve VND million	Financial reserve fund VND million	Undistributed profit VND million	Total VND million
Beginning balance	4,776,827	-	166,465	329,335	1,623,032	6,895,659
Capital contribution increase during the year	934,706	(237)	-	-	-	934,469
Capital contribution increase from undistributed profits	1,427,880	-	-	-	(1,427,880)	-
Net profit during the year	-	-	-	-	900,925	900,925
Appropriation to bonus and welfare funds	-	-	-	-	(30,000)	(30,000)
Appropriation to reserves	-	-	90,093	90,092	(180,185)	-
Ending balance	7,139,413	(237)	256,558	419,427	885,892	8,701,053

During the year, the Bank made the bonus and welfare fund according to the approval of the profit distribution plan for 2023 on 22 April 2024.

For the fiscal year ending 31 December 2024, the Bank has issued additional: (i) 93,470,601 shares to increase its capital from the existing shareholders and (ii) 142,788,059 shares to increase its capital from the owner's equity source. Accordingly, the Bank has recorded an increase in charter capital of an additional 2,362,586,600 VND from 4,776,826,690 VND to 7,139,413,290,000 VND.

22.2 Share capital

	Ending balance		Beginning balance	
	Quantity of shares	Value VND million	Quantity of shares	Value VND million
Approved share capital	713,941,329	7,139,413	477,682,669	4,776,827
Issued share capital	713,941,329	7,139,413	477,682,669	4,776,827
Common shares	713,941,329	7,139,413	477,682,669	4,776,827
Outstanding shares	713,941,329	7,139,413	477,682,669	4,776,827
Common shares	713,941,329	7,139,413	477,682,669	4,776,827

As at 31 December 2024, par value of each common share is VND10,000.

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23. BASIC EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Bank and its subsidiary (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Information for basic earnings per share calculation of the Bank and its subsidiary are as follows:

	<u>Current year</u>	<u>Previous year Restated</u>
Profit attributable to ordinary shareholders (VND million)	900,925	646,866
Adjustment to decrease due to deduction of bonus and welfare fund (million VND)	-	(30,000)
Profit distribution for common shares (million VND)	900,925	616,866
Weighted average number of outstanding ordinary shares in the year (unit)	544,036,681	597,103,375
Basic earnings per share (VND/unit)	1,656	1,033

As of December 31, 2024, the par value of each common share of the Bank is 10,000 Vietnamese dong

The profit or loss after tax allocated to shareholders of common shares of the Bank is the adjusted figure for the allocation of reward and welfare funds. As of the accounting period ending on 31 December 2024, these figures do not deduct the allocation of reward and welfare funds as there has been no decision from the Shareholders' General Meeting yet.

24. INTEREST AND SIMILAR INCOME

	<u>Current year VND million</u>	<u>Previous year VND million</u>
Interest income from loans to customers	7,647,911	7,883,096
Interest income from securities investments	848,415	888,460
Interest income from deposits	1,126,668	898,762
Income from guaranteed service	9,620	8,661
Other income from credit activities	89,243	81,936
	<u>9,721,857</u>	<u>9,760,915</u>

25. INTEREST AND SIMILAR EXPENSES

	<u>Current year VND million</u>	<u>Previous year VND million</u>
Interest expense on deposits	5,811,306	7,057,019
Interest expense on valuable papers issued	890,831	625,097
Interest expense on borrowings	203,962	69,309
Other credit activities expenses	4,185	9,592
	<u>6,910,284</u>	<u>7,761,017</u>

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26. NET FEE AND COMMISSION INCOME

	<i>Current year</i> <i>VND million</i>	<i>Previous year</i> <i>VND million</i>
Fees and commission incomes	231,629	189,796
Income from settlement services	126,652	79,728
Income from card services	62,098	67,568
Income from service activity	15,708	15,423
Other incomes	27,171	27,077
Fees and commission expenses	(94,903)	(86,448)
Expense from card services	(55,611)	(61,033)
Expense from payment services	(24,943)	(17,068)
Expense on consultant fee	(9,089)	(6,853)
Other expenses	(5,260)	(1,494)
Net profit from service operations	136,726	103,348

27. NET GAIN FROM TRADING OF FOREIGN CURRENCIES

	<i>Current year</i> <i>VND million</i>	<i>Previous year</i> <i>VND million</i>
Income from trading of foreign currencies	179,588	197,562
Income from spot foreign exchange trading	99,860	73,172
Income from currency derivative financial instruments	79,728	124,390
Expense from trading of foreign currencies	(99,373)	(132,267)
Expense from spot foreign exchange trading	(31,017)	(51,800)
Expense from currency derivative financial instruments	(68,356)	(80,467)
	80,215	65,295

28. NET GAIN FROM TRADING OF INVESTMENT SECURITIES

	<i>Current year</i> <i>VND million</i>	<i>Previous year</i> <i>VND million</i>
Income from trading of investment securities	21,212	79,782
Expense on trading of investment securities	(2,203)	(2,134)
	19,009	77,648

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29. NET GAIN FROM OTHER OPERATING ACTIVITIES

	<i>Current year</i> <i>VND million</i>	<i>Previous year</i> <i>VND million</i>
Other incomes	463,620	161,312
Income from recovery of written-off bad debts	463,175	149,750
Income from deposit for asset transfer	-	8,604
Income from disposal of fixed assets	324	1,966
Other incomes	121	992
Other expenses	(9,780)	(10,665)
Other operating expenses	(8,801)	(10,637)
Expenses from disposal of fixed assets	(979)	(28)
	453,840	150,647

30. OPERATING EXPENSES

	<i>Current year</i> <i>VND million</i>	<i>Previous year</i> <i>VND million</i>
Employee expenses	759,118	666,384
- Salary and allowances	621,966	527,705
- Salary related expenses	62,792	57,724
- Other allowances	74,360	80,955
Expenses relating to asset	409,192	422,160
- Expense on assets rental	196,052	183,125
- Expense on repairing and maintenance	98,292	126,522
- Depreciation and amortization expenses	101,538	98,915
- Expense on tools and equipment	12,102	12,027
- Expense from assets insurance	1,208	1,571
Other operating expenses	396,916	381,179
- Expense on deposit insurance	125,258	101,773
- Expense on advertising and marketing	44,582	57,953
- Expense on postal and communication	21,222	31,469
- Expense on meeting, conference and protocol	37,608	28,229
- Electricity and water expenses	30,584	26,449
- Non-deductible value added tax expense	16,073	17,547
- Business trip expense	9,491	9,525
- Materials and printing expense	7,127	7,596
- Oil and gas expense	5,795	6,235
- Other operating expenses	96,636	94,403
- Provision expense for other assets	2,540	-
	1,565,226	1,469,723

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31. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as referred to in the consolidated cash flow statement comprise of the following items in the consolidated statement of financial position:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Cash	548,602	535,889
Balances with the SBV	7,024,700	9,408,855
Demand deposit at other credit institutions	1,474,084	342,998
State Treasury	3,000,000	-
Deposits at other credit institution with term not exceeding three (3) months	32,547,116	26,204,540
	44,594,502	36,492,282

32. EMPLOYEES' INCOME

	<i>Current year</i>	<i>Previous year</i>
I. Total average number of employees (person)	2,667	2,561
II. Employees' income (VND million)		
1. Total salary fund and bonus	621,966	527,705
2. Other income	74,360	80,955
3. Total income (1+2)	696,326	608,660
4. Average salary per capita	19.43	17.17
5. Average income per capita	21.76	19.81

33. COLLATERALS AND MORTGAGES

33.1 Assets, valuable papers received for mortgage and pledge

The table below presents the types and collateral values of customer loans based on the book value as of the end of the year as follows:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Real estate properties	147,620,415	110,069,910
Valuable papers	22,163,111	11,355,585
Movable assets	5,159,176	2,469,402
Other assets	8,473,847	9,745,106
	183,416,549	133,640,003

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33. COLLATERALS AND MORTGAGES (continued)

33.2 *Assets, valuable papers used for mortgage and pledge*

The face value of the pledged and collateralized documents of the Bank and its subsidiary as of the end of the year is as follows:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Bonds issued by other domestic credit institutions	28,000	228,000
Government bonds	1,200,000	1,469,000
	1,228,000	1,697,000

34. OFF-BALANCE-SHEET COMMITMENTS

34.1 *Foreign exchange commitments*

Foreign exchange commitments present settlements which the Bank and its subsidiary will perform according to agreed foreign exchange commitments.

A spot foreign exchange transaction is an exchange of an amount of a foreign currency for VND or another foreign currency at the spot exchange rate and be settled within two working days from the transaction date.

Currency swap is a transaction between two parties which involves buying and selling of an amount of foreign currency and VND or another foreign currency on different days at different exchange rates on each day determined at the transaction date.

Details of foreign exchange commitments of the Bank and its subsidiary at year-end are as follows:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Foreign exchange commitments		
- Spot foreign exchange commitments - buy	3,330,715	1,405,237
- Spot foreign exchange commitments - sell	83,194	1,405,388
- Swap commitments	31,988,036	15,499,596
	35,401,945	18,310,221

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34. OFF-BALANCE-SHEET COMMITMENTS (continued)

34.2 Trade finance commitments

In the normal course of business, the Bank and its subsidiaries engage in financial instruments recorded outside the consolidated financial statements. These financial instruments primarily include foreign exchange commitments, guarantee commitments, and letters of credit. These instruments also expose the Bank and its subsidiaries to credit risks in addition to the credit risks recognized on the balance sheet.

The credit risk of off-balance-sheet financial instruments is defined as the potential to pose credit risk to the bank and its subsidiaries when one of the parties involved in that financial instrument fails to fulfill the terms of the contract.

Financial guarantees are conditional commitments issued by the Bank and its subsidiaries to guarantee a customer's obligations to a third party, including guarantees for borrowings, settlements, contract performance, and bidding. The credit risk associated with issuing guarantees is essentially the same as that involved in extending credit facilities to customers.

Commercial sight letters of credit represent a financing transaction by the Bank and its subsidiaries to their customers, where the customer is usually the buyer/importer of goods, and the beneficiary is typically the seller/exporter. The credit risk is generally limited, as the shipped goods serve as collateral for the transaction.

Deferred payment letters of credit represent the amounts at risk if the contract is fully executed but the client fails to repay the beneficiary. Deferred payment letters of credit that are defaulted by clients are recognized by the Bank and its subsidiaries as compulsory loans, with corresponding liabilities representing the financial obligations of the Bank and its subsidiaries to pay the beneficiaries and fulfill their guarantor obligations.

The Bank and its subsidiaries require margin deposits to secure credit-related financial instruments when necessary. The margin deposit required varies from 0% to 100% of the commitment value, depending on the creditworthiness of the clients as assessed by the Bank and its subsidiaries.

Details of contingent liabilities and commitments at year-end are as follows:

	<i>Ending balance</i>			<i>Beginning balance</i>		
	<i>Contract value - gross VND million</i>	<i>Margin deposit VND million</i>	<i>Contract value - net VND million</i>	<i>Contract value - gross VND million</i>	<i>Margin deposit VND million</i>	<i>Contract value - net VND million</i>
Guarantee for loans	50	-	50	50	-	50
Letters of Credit	25,743	(3,970)	21,773	8,414	(11,068)	(2,654)
Other guarantees	842,478	(16,869)	825,609	1,039,763	(9,324)	1,030,439
Other commitments	8,804,949	-	8,804,949	6,707,990	-	6,707,990
Off balance sheet commitments	9,673,170	(20,839)	9,652,331	7,756,167	(20,392)	7,735,775
	9,673,220	(20,839)	9,652,381	7,756,217	(20,392)	7,735,825

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34. OFF-BALANCE-SHEET COMMITMENTS (continued)

34.2 Trade finance commitments (continued)

Classification the off-balance sheet according to Circular 31 and the debt classification policy of the Bank and its subsidiary are as follows:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Standard		
<i>In which:</i>		
- Letters of credit	21,773	(2,654)
- Other guarantees	825,609	1,030,439

34.3 Accrued interest on loans and fees receivable not yet collected

The details of accrued interest on loans and fees receivable not yet collected as of the end of the year are as follows:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Accrued interest on loans receivable	930,391	740,310

34.4 Bad debts already handled

The details of the resolved bad debts as of the end of the year are as follows:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
The debt with resolved risks currently under monitoring		
Principal debt	370,600	393,557
Interest debt	10,576	10,614
	381,176	404,171

34.5 Other assets and documents

The details of other assets and documents as of the end of the year are as follows:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
The identified value of other held-to-maturity assets	187,844	383,369
Collateral assets assumed to substitute for fulfilling the obligations of the guarantor pending resolution	12,300	12,300
Precious metals, gemstones held in custody	12,775	15,000
	212,919	410,669

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35. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other entities to which the Bank and its subsidiary is related. 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 financial and operating decisions. A party is deemed a related party to the Bank and its subsidiary if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
 - ▶ control or is controlled by, or is under common control with, the Bank and its subsidiary (including parents and subsidiary);
 - ▶ has an interest (owning 5% or more of the charter capital or voting share capital) in the Bank and its subsidiary that gives it significant influence over the Bank and its subsidiary; or
 - ▶ has joint control over the Bank and its subsidiary;
- (b) The party is a joint venture, associate in which the Bank and its subsidiary are a venture, associate (owning over 11% of the charter capital or voting share capital, but is not a subsidiary of the Bank and its subsidiary);
- (c) The party is a member of the key management personnel of the Board of Management;
- (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 controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d).

Significant transactions with related parties during the year are as follows:

<i>Related party</i>	<i>Transactions</i>	<i>Current year VND million</i>	<i>Previous year VND million</i>
Board of Directors, Board of Management and Board of Supervisors	Deposit taken on demand deposit account	328,357	427,569
	Deposit taken on deposit account	52,519	55,112
	Deposit disbursed on demand deposit account	345,477	407,883
	Deposit disbursed on deposit account	50,807	67,332
	Interest payment on demand deposits	29	129
	Interest payment on deposits account	1,487	3,127
	Other pending payments	-	782
	Remuneration for members of the Board of Directors	Mr Duong Nhat Nguyen - Chairman	13,500
	Mr Nguyen Huu Trung - Vice Chairman cum Independent member	4,083	2,766
	Ms Le Thi Xuan Lan - Member	744	778
	Ms Luong Thi Huong Giang - Member	842	848
	Ms Quach To Dung - Member	911	933

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35. RELATED PARTY TRANSACTIONS (continued)

Significant transactions with related parties at the year-end are as follows:

<i>Related party</i>	<i>Transactions</i>	<i>Current year VND million</i>	<i>Previous year VND million</i>
Remuneration for members of the Board of Supervision		1,969	2,155
Salary and allowances of the Board of Management	General Director (*) Members of the Board of Management	10,120 15,271	2,154 17,176
Related parties with the Board of Directors, Board of Management and Board of Supervisors	Deposit taken on demand deposit account	3,809,870	7,372,005
	Deposit taken on deposit account	313,221	279,466
	Deposit disbursed on demand deposit account	3,796,103	7,375,357
	Deposit disbursed on deposit account	306,651	301,138
	Interest payment on demand deposits	7,809	585
	Interest payment on deposits	1,919	6,578
	Loan	376,808	482,440
	Interest income from loans	6,076	532,923
	Interest payment on loans	41,995	99,599
	Payment purchase real estate	130,047	-

(*) Mr. Nguyen Huu Trung, Vice Chairman of the Board of Directors appointed as Acting General Director from 15 October 2021 to 14 August 2023, has received remuneration from the Board of Directors, so he does not receive the General Director's salary.

Receivables and payables balance with related parties at the year-end are as follows:

<i>Related party</i>	<i>Transactions</i>	<i>Receivables/(payables)</i>	
		<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Board of Directors, Board of Management and Board of Supervisors	Demand deposits	(6,009)	(66,254)
	Term deposit	(33,540)	(6,311)
	Accrued Interest payable on term deposit	(407)	(782)
	Loan balance	824	1,285
	Accrued Interest payable on loan	-	82
Related party with the Board of Directors, Board of Management and Board of Supervisors	Demand deposit	(34,155)	(115,128)
	Term deposit	(40,710)	(36,551)
	Accrual interest payable on demand deposit	(1)	-
	Accrual interest payable on term deposit	(571)	(84)
	Loan balance	136,696	692,599
	Accrual interest receivable on loan	4,204	-

36. FINANCIAL RISK MANAGEMENT POLICIES

Risk is inherent in the Bank and its subsidiary's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank and its subsidiary's continuing profitability and individual employees of the Bank who are accountable for the risk exposures relating to their responsibilities. The Bank and its subsidiary are exposed to credit risk, liquidity risk and market risk (the latter being subdivided into trading and non-trading risks). It is also exposed to operational risk.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank and its subsidiary's policy is to monitor those business risks through the Bank and its subsidiary's strategic planning process.

The Bank and its subsidiary established and had policies about organization structure and operation of Risk management committee ("RMC") as detail bellow:

(i) RMC responsibilities:

- Advises the Board of Directors in the promulgation of procedures and policies under their jurisdiction relating to risk management in the Bank and its subsidiary's activities under the law of Vietnam and the Bank's charter;
- Analyses and provides warnings on the potential risks that may affect the Bank and its subsidiary's operation and preventive measures in the short term as well as long term;
- Reviews and evaluates the appropriateness and effectiveness of the risk management procedures and policies of the Bank and its subsidiary to make recommendations to the Board of Directors on the improvement of procedures, policies and operational strategies;
- Advise to the Board of Directors on the approval for investments, related transactions, management policies and risk management plans within the scope of assigned task and duties.

(ii) RMC reports to the Board of Directors and may hold periodic meetings or extraordinary meetings, but at least once per 6 months.

Credit risk is the risk that the Bank and its subsidiary will incur a loss because its customers or counterparties fail or unable to discharge their contractual obligations.

In the credit risk management process, the Bank and its subsidiary had issued credit policies as well as guidelines for the standardization of credit operations.

The Bank and its subsidiary manage and control credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. Counterparty's limits are established by the use of a credit rating system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision with SBV.

The Bank and its subsidiary have established a credit quality review process that allows for early prediction of changes in the financial position and repayment capacity of partners based on qualitative and quantitative factors.

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36. FINANCIAL RISK MANAGEMENT POLICIES (continued)

36.1 Credit risk

The maximum exposure to credit risk at year-end of the Bank and its subsidiary is as follows:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Credit risk exposure relating to on-balance-sheet items		
Balance with the SBV	7,024,700	9,408,855
Due from and loans to other credit institutions	35,921,200	26,547,538
Held-for-trading securities	340,337	1,076,343
Derivatives financial instruments	89,061	19,848
Loans to customers - gross	93,637,036	80,754,430
Investment securities		
- <i>Debt securities - available-for-sale - gross</i>	2,729,322	346,650
- <i>Debt securities - held-to-maturity - gross</i>	19,688,082	16,093,755
Fee and interest receivables	2,560,595	2,707,549
Other financial assets - gross	84,274	380,578
	162,074,607	137,335,546
Off-balance-sheet items		
Guarantee for loans	50	50
Letters of Credit	21,773	(2,654)
Other guarantees	825,609	1,030,439
	847,432	1,027,835
Total credit risk exposure	162,922,039	138,363,381

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36. FINANCIAL RISK MANAGEMENT POLICIES (continued)

36.1 Credit risk (continued)

The classification of financial assets subject to credit risk as of 31 December 2024, is presented as follows.:

	<i>Neither overdue nor impaired VND million</i>	<i>Overdue but not impaired VND million</i>	<i>Overdue and impaired VND million</i>	<i>Total VND million</i>
Banance with SBV	7,024,700	-	-	7,024,700
Due from and loans to other credit institutions	35,921,200	-	-	35,921,200
Held-for-trading securities	340,337	-	-	340,337
Derivatives financial instruments	89,061	-	-	89,061
Loans to customers - gross	90,288,767	1,882,962	1,465,307	93,637,036
Available-for-sale securities - gross	2,729,322	-	-	2,729,322
Held-to-maturity securities - gross	19,688,082	-	-	19,688,082
Fee and interest receivable	2,560,595	-	-	2,560,595
Other financial assets - gross	84,274	-	-	84,274
Credit risk off-balance-sheet items	847,432	-	-	847,432
	<u>159,573,770</u>	<u>1,882,962</u>	<u>1,465,307</u>	<u>162,922,039</u>

The Bank and its subsidiary's financial assets which are neither past due nor impaired include loans to customers classified as Group 1 in accordance with Circular 02, Circular 09, securities, receivables and other financial assets which are not past due and no provision is required in accordance with Circular 228 and Circular 89. The Bank and its subsidiary believe that it can recover fully and timely these financial assets in the near future.

Loans to customer and other financial assets are overdue but not impaired are overdue loans but not required to make provision due to the Bank held adequate collaterals such as deposits, properties, movable properties, valuable papers and other types of collateral to recover for credit.

36. FINANCIAL RISK MANAGEMENT POLICIES (continued)

36.2 Market risk

(a) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair values of financial instruments. The Bank and its subsidiary are exposed to interest rate risk as a result of mismatches of maturity dates or dates of interest rate re-pricing in respect of assets, liabilities and off-balance sheet instruments over a certain period.

The interest rates set by the Bank and its subsidiary for loans to customers and customer deposits are respectively presented in *Note 10* and *Note 18*.

Analysis of assets and liabilities based on interest rate re-pricing date

The real interest rate re-pricing term is the remaining period from the date of preparation of the financial statements to the most recent interest re-pricing period or the maturity date of the items on the statement of financial position whichever is earlier.

The following assumptions and conditions have been adopted in the analysis of interest rate re-pricing terms of the assets and liabilities of the Bank and its subsidiary:

- ▶ Cash, long-term investments, derivatives and other financial assets, other assets (including fixed assets, receivables and other assets) and other payables are classified as non-interest-bearing items.
- ▶ Balances with the SBV are considered as current and the re-pricing term is therefore considered within one (1) month.
- ▶ The re-pricing period of interest rate of investment securities are determined based on the maturity date of securities at date of the consol financial statements.
- ▶ The re-pricing term of borrowings from Government and the SBV, due from and loans to other credit institutions, loans to customers, receivables from sale of debts, due to and borrowings from other credit institutions, due to customers and valuable papers issued is determined as follows:
 - Items which bear fixed interest rate for the entire contractual term: The re-pricing term is determined based on the remaining contractual term from the consolidated statement of financial position date.
 - Items which bear floating interest rate: The re-pricing term is determined based on the nearest interest re-pricing date from the consolidated statement of financial position date or remaining period, depended on which is the earlier element.



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36. FINANCIAL RISK MANAGEMENT POLICIES (continued)

36.2 Market risk (continued)

(a) Interest rate risk (continued)

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

	Overdue VND million	Non-interest bearing VND million	Interest re-pricing period						Total VND million
			Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	
Assets									
Cash	-	548,602	-	-	-	-	-	-	548,602
Balances with the SBV	-	4,208,040	2,816,660	-	-	-	-	-	7,024,700
Due from and loans to other credit institutions	-	-	17,211,532	16,809,668	-	1,900,000	-	-	35,921,200
Held-for-trading securities	-	-	-	-	-	-	-	65,463	340,337
Derivatives and other financial assets	-	89,061	-	-	-	-	-	-	89,061
Loans to customers - gross	3,348,269	-	24,407,031	23,625,182	11,906,517	17,279,728	13,006,118	64,191	93,637,036
Investment securities - gross	-	-	3,700,000	1,200,000	6,711,762	1,618,717	-	-	22,417,404
Fixed assets	-	698,874	-	-	-	-	-	-	698,874
Other assets - gross	21,424	3,314,204	-	-	-	-	-	-	3,335,628
Total assets	3,369,693	8,858,781	48,135,223	41,634,850	18,618,279	20,798,445	13,071,581	9,525,990	164,012,842
Liabilities									
Borrowings from the Government and the SBV	-	-	215,774	-	-	-	-	-	222,891
Due to and borrowings from other credit institutions	-	-	16,218,852	16,823,509	2,073,806	3,300,000	-	-	38,416,167
Due to customers	-	-	46,952,772	16,840,742	18,192,218	12,218,324	637,414	-	94,841,470
Valuable papers issued	-	-	-	515,000	3,500,000	9,200,000	292,170	-	17,678,260
Other liabilities	-	2,995,491	-	-	-	-	-	-	2,995,491
Total liabilities	-	2,995,491	63,387,398	34,179,251	23,766,024	24,718,324	929,584	4,178,207	154,154,279
Interest sensitivity gap	3,369,693	5,863,290	(15,252,175)	7,455,599	(5,147,745)	(3,919,879)	12,141,997	5,347,783	9,858,563

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36. FINANCIAL RISK MANAGEMENT POLICIES (continued)

36.2 Market risk (continued)

(a) Interest rate risk (continued)

Interest rate sensitivity

The Bank and its subsidiary have not made the analysis on the interest rate sensitivity as at 31 December 2024 there is lack of sufficient data system and information.

(b) Currency risk

Currency risk management is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Bank and its subsidiary were incorporated and operated in Vietnam, so VND is the reporting currency and the major currency in which the Bank transacts is VND. The Bank and its subsidiary's financial assets and financial liabilities mainly denominated in VND with the remainder mainly in USD and EUR. However, some of the Bank and its subsidiary's other assets are in currencies other than the reporting currency of VND, USD and EUR. The Bank and its subsidiary's management has set limits on position for each currency. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

Exchange rates of major currencies as at the reporting date are presented in Note 40.

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

	<i>USD equivalent VND million</i>	<i>EUR equivalent VND million</i>	<i>Other currencies equivalent VND million</i>	<i>Total VND million</i>
Assets				
Cash	46,294	3,471	7,844	57,609
Balances at the SBV	57,225	-	-	57,225
Due from and loans to other credit institutions	4,719,197	8,485	664,917	5,392,599
Derivative financial instruments and other financial assets	(2,928,297)	-	(521,230)	(3,449,527)
Loan to customers - gross	369,826	-	-	369,826
Other assets - gross	71,967	5	4,713	76,685
Total assets	2,336,212	11,961	156,244	2,504,417
Liabilities				
Due to and borrowings from other credit institutions	4,243,845	-	-	4,243,845
Due to customers	583,867	2,998	8,109	594,974
Other liabilities	39,265	-	123,247	162,512
Total liabilities	4,866,977	2,998	131,356	5,001,331
Net on-statement of financial position	(2,530,765)	8,963	24,888	(2,496,914)
Net off-balance sheet position	-	-	-	-
Net position	(2,530,765)	8,963	24,888	(2,496,914)

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36. FINANCIAL RISK MANAGEMENT POLICIES (continued)**36.2 Market risk** (continued)**(b) Currency risk** (continued)*Currency sensitivity*

The Bank and its subsidiary have not made the analysis on the currency sensitivity as at 31 December 2024 since there is lack of sufficient data system and information.

(c) Liquidity risk

Liquidity risk is the risk which the Bank and its subsidiary have difficulties in meeting the obligations of financial liabilities. Liquidity risk occurs when the Bank and its subsidiary cannot afford to settle debt obligations at the due dates in the normal or stress conditions. To manage the liquidity risk exposure, the Bank and its subsidiary have diversified the mobilization of deposits from various sources in addition to its basic capital resources. In addition, the Bank and its subsidiary have established policy for control of liquidity assets flexibly; monitor the future cash flows and daily liquidity. The Bank and its subsidiary have also evaluated the estimated cash flows and the availability of current collateral assets in case of obtaining more deposits.

Liquidity risk exposure is managed by maintaining not limited to cash and cash equivalent by Nostro account, balance with SBV and other credit institutions and other valuable papers. Safety ratios related to risk are used to manage liquidity risk.

The maturity term of assets and liabilities is the remaining period of assets and liabilities as calculated from the statement of financial position date to the settlement date in accordance with contractual terms and conditions.

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

- ▶ Balances with the SBV are classified as demand deposits which include compulsory deposits;
- ▶ The maturity term of investment securities is determined based on the maturity date of each kind of securities;
- ▶ The maturity term of borrowings to Government and the SBV, due from and loans to other credit institutions and loans to customers is determined on the maturity date as stipulated in contracts. The actual maturity term may be altered because loan contracts may be extended;
- ▶ The maturity term of long-term investments is considered as more than five years because these investments do not have specific maturity date;
- ▶ Vostro account and demand deposits are transacted as required by customers, and therefore, being classified as current accounts. The maturity term of due to and borrowings from other credit institutions, derivative and other financial assets, customer deposits, valuable papers issued and other payable are determined based on features of these items or the maturity date as stipulated in contracts. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In fact, these amounts may be rotated, and therefore, they last beyond the original maturity date;
- ▶ The maturity term of fixed assets and other assets is determined on the remaining useful life of assets.

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

36. FINANCIAL RISK MANAGEMENT POLICIES (continued)

36.2 Market risk (continued)

(c) Liquidity risk (continued)

Below table presents the analysis of the remaining maturity of assets and liabilities of the Bank and its subsidiary according to groups corresponding to the remaining contractual period calculated from the consolidated statement of financial position date to the settlement date:

	Overdue		Current				Total years VND million
	Above 3 months VND million	Up to 3 months VND million	Up to 1 month VND million	From 1 to 3 months VND million	From 3 to 12 months VND million	From 1 to 5 years VND million	
Assets							
Cash	-	-	548,602	-	-	-	548,602
Balances at the SBV	-	-	7,024,700	-	-	-	7,024,700
Due from and loans to other credit institutions	-	-	17,211,532	16,809,668	1,900,000	-	35,921,200
Held-for-trading securities	-	-	-	-	340,337	-	340,337
Derivatives financial instruments and other financial assets	-	-	89,061	-	-	-	89,061
Loans to customers - gross	1,465,307	1,882,962	4,544,178	13,924,312	39,372,974	17,217,360	93,637,036
Investment securities - gross	-	-	6,130,479	1,200,000	5,900,000	-	22,417,404
Fixed assets	-	-	-	-	-	187,905	698,874
Other assets - gross	21,424	-	3,314,204	-	-	-	510,969
Total assets	1,486,731	1,882,962	38,862,756	31,933,980	47,513,311	17,405,265	164,012,842
Liabilities							
Borrowings from the Government and the SBV	-	-	215,774	-	-	-	7,117
Due to and borrowings from other credit institutions	-	-	16,218,852	16,823,509	5,373,806	-	38,416,167
Due to customers	-	-	23,780,274	26,484,609	43,292,298	1,284,289	94,841,470
Valuable paper issued	-	-	-	-	13,215,000	-	17,678,260
Other liabilities	-	-	2,568,503	426,988	-	-	2,995,491
Total liabilities	-	-	42,783,403	43,735,106	61,881,104	1,284,289	154,154,279
Net liquidity gap	1,486,731	1,882,962	(3,920,647)	(11,801,126)	(14,367,793)	16,120,976	9,858,563

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

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36. FINANCIAL RISK MANAGEMENT POLICIES (continued)

36.2 *Market risk* (continued)

(d) *Other market price risk*

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

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

	<i>Domestic VND million</i>	<i>Overseas VND million</i>	<i>Total VND million</i>
Asset			
Cash	548,602	-	548,602
Balance with the SBV	7,024,700	-	7,024,700
Due from and loans to other credit institutions	35,209,469	711,731	35,921,200
Held-for-trading securities	340,337	-	340,337
Derivatives financial instruments	89,061	-	89,061
Loans and advance to customers - gross	93,637,036	-	93,637,036
Investment securities - gross	22,417,404	-	22,417,404
Receivables - gross	3,335,628	-	3,335,628
Liabilities			
Borrowings from the Government and the SBV	222,891	-	222,891
Due to and borrowings from other credit institutions	38,416,167	-	38,416,167
Due to customers	94,779,971	61,499	94,841,470
Valuable papers issued	17,678,260	-	17,678,260
Other liabilities	2,995,491	-	2,995,491
Off balance sheet commitments	847,432	-	847,432

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

37 SEGMENT REPORT

37.1 Main segment report by geographical region

Information of income, expenses, assets and liabilities of the divisions by geographical area of the Bank and its subsidiary during the year as follows:

	Northern VND million	Central VND million	Southern VND million	Total segment VND million	Eliminations VND million	Total VND million
I. Income	2,731,052	1,839,326	19,662,834	24,233,212	(13,615,306)	10,617,906
Interest income	2,685,956	1,819,514	18,831,693	23,337,163	(13,615,306)	9,721,857
Income from service operations	44,741	19,685	167,203	231,629	-	231,629
Other operating income	355	127	663,938	664,420	-	664,420
II. Expense	2,500,407	1,719,471	18,077,197	22,297,075	(13,615,306)	8,681,769
Interest expense	2,280,981	1,545,933	16,698,676	20,525,590	(13,615,306)	6,910,284
Depreciation expense	11,289	5,743	84,506	101,538	-	101,538
Other direct operating expense	208,137	167,795	1,294,015	1,669,947	-	1,669,947
Profits before provision for credit loss expenses	230,645	119,855	1,585,637	1,936,137	-	1,936,137
Provision/(Revert) expense for credit loss expenses	(46,270)	4,832	(763,401)	(804,839)	-	(804,839)
Operating results before tax by segment	184,375	124,687	822,236	1,131,298	-	1,131,298



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

37. SEGMENT REPORT (continued)

37.1 Main segment report by geographical region (continued)

The information regarding asset and liability items of the Bank and its subsidiary by geographical regions as of 31 December 2024, and for the fiscal year ending on the same date is as follows:

	Northern VND million	Central VND million	Southern VND million	Eliminations VND million	Total VND million
I. Asset					
1. Cash	137,726	99,523	311,353	-	548,602
2. Balances at the SBV	2,043	11,431	7,011,226	-	7,024,700
3. Due from and loans to other credit institutions	8,293	882	35,912,025	-	35,921,200
4. Held for trading securities	-	-	340,337	-	340,337
5. Derivatives financial instruments and other financial assets	-	-	89,061	-	89,061
6. Loans to customers	11,510,216	9,752,958	72,373,862	-	93,637,036
7. Investment securities	-	-	22,417,404	-	22,417,404
8. Fixed assets	17,618	17,653	663,603	-	698,874
9. Other assets	268,123	120,315	2,969,747	(22,557)	3,335,628
Total assets	11,944,019	10,002,762	142,088,618	(22,557)	164,012,842
II. Liabilities					
1. Borrowings from the Government and the SBV	-	-	222,891	-	222,891
2. Due to from and borrowings other credit institutions	1	1,037	38,415,129	-	38,416,167
3. Due to customers	29,727,338	19,526,419	45,587,713	-	94,841,470
4. Valuable papers issued	236,760	84,050	17,357,450	-	17,678,260
5. Other liabilities	716,036	407,706	1,894,306	(22,557)	2,995,491
Total liabilities	30,680,135	20,019,212	103,477,489	(22,557)	154,154,279

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

38. SUPPLEMENTARY NOTES ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES

38.1 Book value and fair value of financial assets and financial liabilities

Carrying value and fair value of the Bank and its subsidiary's financial asset and liabilities as at 31 December 2024 are presented as follows:

	Carrying value						Fair value VND million
	Trading VND million	Held-to- maturity VND million	Loans and receivables VND million	Available-for- sale VND million	Other assets and liabilities at amortized cost VND million	Total VND million	
Cash	-	-	-	-	548,602	548,602	548,602
Balances at the SBV	-	-	-	-	7,024,700	7,024,700	7,024,700
Due from and loans to other credit institutions	-	-	-	-	35,921,200	35,921,200	(a)
Held-for-trading securities	340,337	-	-	-	-	340,337	(a)
Derivatives financial instruments and other financial assets	-	-	-	-	89,061	89,061	(a)
Loans to customers	-	-	92,493,074	-	-	92,493,074	(a)
Available-for-sale securities	-	-	-	2,729,322	-	2,729,322	(a)
Held-to-maturity securities	-	19,688,082	-	-	-	19,688,082	(a)
Other financial assets	-	-	2,644,494	-	-	2,644,494	(a)
Total assets	340,337	19,688,082	95,137,568	2,729,322	43,583,563	161,478,872	
Liabilities							
Borrowings from the Government and the SBV	-	-	-	-	222,891	222,891	(a)
Due to and borrowings from other credit institutions	-	-	-	-	38,416,167	38,416,167	(a)
Due to customers	-	-	-	-	94,841,470	94,841,470	(a)
Valuable papers issued	-	-	-	-	17,678,260	17,678,260	(a)
Other financial liabilities	-	-	-	-	2,773,964	2,773,964	(a)
Total liabilities	-	-	-	-	153,932,752	153,932,752	

(a) The fair value of these financial assets and financial liabilities cannot be determined as there are currently no specific guidelines and regulations of the SBV and the authorities to determine the fair value of financial instruments.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
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39. COMMITMENTS AND FIDUCIARY ASSETS

39.1 Capital expenditure commitments

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Commitments on capital expenditure for office building and purchase of fixed assets	86,860	32,348

39.2 Operating lease commitments

The Bank and its subsidiary rent offices for some branches under operating lease contracts. The future lease fee under terms of rental contracts as at the consolidated statement of financial position date is as follows:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Non-cancellable lease commitments	607,390	567,594
<i>In which:</i>		
- Due within one (1) year	185,414	171,952
- Due from one (1) to five (5) years	358,651	343,791
- Due after five (5) years	63,325	51,851

39.3 Lease commitments

The Bank and its subsidiary use some its assets to provide operating lease services to the clients. The future leasing fees under terms of rental contracts as at the consolidated statement of financial position date are as follows:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Non-cancellable operating lease commitments	11,352	1,189
<i>In which:</i>		
- Due within one (1) year	8,658	89
- Due from one (1) to five (5) years	2,694	1,100

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
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40. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AT THE END OF THE FINANCIAL YEAR

	<i>Ending balance</i> VND	<i>Beginning balance</i> VND
USD	24,602	24,230
EUR	26,595	26,823
GBP	32,055	30,942
CAD	17,797	18,322
AUD	15,919	16,574
SGD	18,787	18,384
JPY	163	172
CHF	28,206	28,760
CNY	3,550	3,550
KRW	19	19



41. EVENTS AFTER THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATE

There is no matter or circumstance that has arisen since the consolidated statement of financial position date that requires adjustment or disclosure in the consolidated financial statement.

Soc Trang City, Vietnam
31 March 2025

Prepared by:

Ms. Tran Thi Minh Chau
General Accountant

Reviewed by:

Ms. Pham Thi My Chi
Chief Accountant

Approved by:

Ms. Tran Tuan Anh
General Director

