

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE
(Incorporated in the Socialist Republic of Vietnam)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

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



TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5 - 7
CONSOLIDATED INCOME STATEMENT	8
CONSOLIDATED CASH FLOW STATEMENT	9 - 10
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	11 - 67

911
ON
TA
IEM
L
187
/ 0,
//

STATEMENT OF THE BOARD OF MANAGEMENT

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

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

Board of Directors

Mr. Tran Minh Binh	Chairman
Mr. Cat Quang Duong	Independent member (appointed on 27 April 2024)
Mr. Nguyen Duc Thanh	Member
Mr. Nguyen The Huan	Member
Ms. Pham Thi Thanh Hoai	Member
Mr. Tran Van Tan	Member
Mr. Le Thanh Tung	Member
Mr. Koji Iriguchi	Member
Mr. Takeo Shimotsu	Member (appointed on 27 April 2024)
Mr. Nguyen Tran Manh Trung	Member (appointed on 17 October 2024)
Mr. Nguyen Viet Dung	Member (appointed on 17 October 2024)
Ms. Tran Thu Huyen	Member (resigned on 23 April 2024)
Ms. Nguyen Thi Bac	Independent member (resigned on 27 April 2024)
Mr. Masashige Nakazono	Member (resigned on 27 April 2024)

Board of Supervisors

Ms. Le Anh Ha	Chief Supervisor
Ms. Nguyen Thi Anh Thu	Member
Ms. Pham Thi Thom	Member

Board of Management and Chief Accountant

Mr. Nguyen Tran Manh Trung	General Director (appointed on 17 October 2024) and Deputy General Director (to 16 October 2024)
Mr. Do Thanh Son	Deputy General Director (appointed on 17 October 2024) and Deputy General Director in charge of the Board of Management (to 17 October 2024)
Mr. Le Duy Hai	Deputy General Director
Mr. Tran Cong Quynh Lan	Deputy General Director
Ms. Le Nhu Hoa	Deputy General Director
Mr. Koji Iriguchi	Deputy General Director
Mr. Hoang Ngoc Phuong	Deputy General Director (resigned on 28 March 2024)
Mr. Nguyen Dinh Vinh	Deputy General Director (resigned on 18 December 2024)
Mr. Nguyen Hai Hung	Chief Accountant

Authorized person for signing the consolidated financial statements

Mr. Nguyen Tran Manh Trung	General Director (According to Authorization letter No.992/UQ-HDQT-NHCT-PCTT1 of the Chairman dated 17 October 2024)
----------------------------	---



STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Bank is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Bank as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting. 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 principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

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

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

For and on behalf of the Board of Management,



Nguyen Tran Manh Trung
General Director

Hanoi, 28 February 2025

INDEPENDENT AUDITORS' REPORT

To:
The Shareholders
The Board of Directors and the Board of Management
Vietnam Joint Stock Commercial Bank for Industry and Trade

We have audited the accompanying consolidated financial statements of Vietnam Joint Stock Commercial Bank for Industry and Trade (the "Bank"), prepared on 28 February 2025 as set out from page 05 to page 66, which comprise 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 a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility

The Bank's Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of 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' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank'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 Board of 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

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



Khúc Thị Lan Anh

Deputy General Director

Audit Practising Registration Certificate

No. 0036-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

28 February 2025

Hanoi, S.R. Viet Nam

Mai Thi Thuy Loan

Auditor

Audit Practising Registration Certificate

No. 3837-2021-001-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Unit: VND Million

NO. ITEMS	Notes	Closing balance	Opening balance
A. ASSETS			
I. Cash, gold and gemstone	5	11,147,549	9,759,580
II. Balances with the State Bank of Vietnam ("SBV")	6	34,431,657	40,597,059
III. Placements with and loans to other credit institutions	7	378,482,885	279,841,639
1. Placements with other credit institutions		370,530,038	259,230,017
2. Loans to other credit institutions		7,952,847	20,611,622
IV. Trading securities	8	2,798,875	2,487,905
1. Trading securities		2,990,692	2,676,130
2. Provisions for impairment of trading securities		(191,817)	(188,225)
V. Loans to customers		1,685,290,589	1,445,571,643
1. Loans to customers	10	1,721,954,714	1,473,344,564
2. Provisions for credit losses of loans to customers	11	(36,664,125)	(27,772,921)
VI. Investment securities	12	214,607,153	181,210,531
1. Available-for-sale investment securities	12.1	188,557,477	180,595,473
2. Held-to-maturity investment securities	12.2	26,635,861	864,999
3. Provisions for impairment of investment securities		(586,185)	(249,941)
VII. Capital Contribution, Long-term investments	13	3,933,844	3,426,483
1. Investments in joint-ventures	13.1	3,706,673	3,206,452
2. Other long-term investments		234,462	234,462
3. Provisions for impairment of long-term investments		(7,291)	(14,431)
VIII. Fixed assets		10,002,157	10,125,534
1. Tangible fixed assets	14	6,149,216	6,133,262
a. Cost		17,253,570	16,641,464
b. Accumulated depreciation		(11,104,354)	(10,508,202)
2. Intangible assets	15	3,852,941	3,992,272
a. Cost		6,927,826	6,804,407
b. Accumulated amortisation		(3,074,885)	(2,812,135)
IX. Other assets	16	44,693,023	59,593,232
1. Other receivables	16.1	27,766,899	41,454,754
2. Interest and fee receivables		13,312,631	14,761,581
3. Other assets	16.2	3,715,565	3,483,594
4. Provisions for impairment of other balance sheet assets	16.3	(106,441)	(106,697)
TOTAL ASSETS		2,385,387,732	2,032,613,606

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

Unit: VND Million

NO. ITEMS	Notes	Closing balance	Opening balance
B. LIABILITIES AND OWNERS' EQUITY			
I. Borrowings from the Government and the SBV	17	154,284,104	21,814,105
1. Deposits and borrowings from the Government and the SBV		154,284,104	21,814,105
II. Deposits and borrowings from other credit institutions	18	276,141,255	304,321,721
1. Deposits from other credit institutions	18.1	253,519,627	259,892,746
2. Borrowings from other credit institutions	18.2	22,621,628	44,428,975
III. Deposits from customers	19	1,606,316,685	1,410,899,038
IV. Derivative financial instruments and other financial liabilities	9	390,841	555,946
V. Grants, trusted funds and borrowings where the Bank bears risks	20	2,179,950	2,237,779
VI. Valuable papers issued	21	151,678,090	115,375,727
VII. Other liabilities		45,892,099	51,537,470
1. Accrued fee and interest expenses		21,026,493	27,999,187
2. Deferred tax liabilities		-	171
3. Other payables and liabilities	22	22,102,187	22,136,868
4. Other provisions		2,763,419	1,401,244
TOTAL LIABILITIES		2,236,883,024	1,906,741,786
VIII. Capital and reserves	24	148,504,708	125,871,820
1. Contributed capital		63,583,999	63,510,626
a. Charter capital		53,699,917	53,699,917
b. Share premium		8,974,677	8,974,677
c. Other capital		909,405	836,032
2. Reserves		25,316,757	19,043,575
3. Foreign exchange reserves		243,105	86,970
4. Retained earnings		58,390,118	42,369,429
5. Non-controlling interests		970,729	861,220
TOTAL LIABILITIES AND OWNERS' EQUITY		2,385,387,732	2,032,613,606

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

Unit: VND Million

OFF-BALANCE-SHEET ITEMS

NO.	ITEMS	Notes	Closing balance	Opening balance
1.	Credit guarantees	39	15,390,290	8,785,288
2.	Foreign exchange transactions commitments	39	804,229,724	726,235,823
	Foreign currency purchase commitments		6,892,967	1,407,060
	Foreign currency sale commitments		6,892,619	1,405,874
	Cross currency swap contracts		790,444,138	723,422,889
3.	Letters of credit (L/C) commitments	39	66,691,329	55,986,789
4.	Other guarantees	39	108,170,999	102,201,746
5.	Other commitments	39	63,111,263	68,704,794
6.	Uncollected loan interest and fees	40	10,664,189	9,609,251
7.	Bad debts written-off	41	164,411,420	147,630,472
8.	Other properties and valuable papers	42	132,970,869	91,656,083

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
General Director

28 February 2025

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

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

Unit: VND Million

NO. ITEMS	Notes	Current year	Prior year
1. Interest and similar income	25	124,460,685	132,671,737
2. Interest and similar expenses	26	(62,057,891)	(79,714,259)
I. Net interest income		62,402,794	52,957,478
3. Income from services		12,232,801	12,384,836
4. Expenses on services		(5,536,813)	(5,271,107)
II. Net profit from services	27	6,695,988	7,113,729
III. Net gain from trading foreign currencies	28	4,196,682	4,248,109
IV. Net gain from trading securities	29.1	91,829	292,626
V. Net (loss) from investment securities	29.2	(288,044)	(154,121)
5. Other operating income		10,687,733	7,080,218
6. Other operating expenses		(2,268,947)	(1,277,142)
VI. Net profit from other activities	30	8,418,786	5,803,076
VII. Income from capital contribution, equity investments	31	390,648	287,268
VIII. Operating expenses	32	(22,545,929)	(20,443,499)
IX. Net profit from operating activities before credit provision expenses		59,362,754	50,104,666
X. Provision expenses for credit losses		(27,598,829)	(25,115,141)
XI. Profit before tax		31,763,925	24,989,525
7. Current corporate income tax expense	33	(6,285,898)	(4,944,844)
8. Deferred corporate income tax expense		4,540	(59)
XII. Corporate income tax expense		(6,281,358)	(4,944,903)
XIII. Profit after corporate income tax		25,482,567	20,044,622
XIV. Non-controlling interests		134,352	141,072
XV. Profit attributable to the owners of the Bank		25,348,215	19,903,550
XVI. Basic earnings per share (VND)	34	4,720	3,200

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
General Director

28 February 2025

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

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

Unit: VND Million

NO. ITEMS	Current year	Prior year
CASH FLOW FROM OPERATING ACTIVITIES		
01. Interest and similar income received	125,647,114	130,262,777
02. Interest and similar expenses paid	(69,067,517)	(72,900,489)
03. Income received from services	7,287,579	7,129,372
04. Net cash received from trading foreign currencies, gold and securities	4,343,826	4,521,662
05. Other income/(expenses)	(912,465)	314,913
06. Cash recovered from bad debts written off or compensated by provision for credit losses	7,608,116	4,671,302
07. Payments to employees and for operating management	(20,146,505)	(18,023,866)
08. Corporate income tax paid for the year	(6,006,343)	(4,790,442)
Net cash from operating profit before movements in assets and working capital	48,753,805	51,185,229
<i>Movements in operating assets</i>	<i>(280,122,274)</i>	<i>(218,903,221)</i>
09. Changes in placements with and loans to other credit institutions	7,293,627	(11,169,611)
10. Changes in trading securities	(34,188,919)	(9,929,090)
11. Changes in derivatives and other financial assets	(25,355)	3,058,727
12. Changes in loans to customers	(248,587,038)	(198,500,870)
13. Changes in provisions for credit losses	(18,707,196)	(26,755,450)
14. Changes in other operating assets	14,092,607	24,393,073
<i>Movements in operating liabilities</i>	<i>333,557,155</i>	<i>196,486,340</i>
15. Changes in borrowings from the Government and the SBV	132,469,999	(82,965,197)
16. Changes in deposits and borrowings from other credit institutions	(28,180,466)	94,891,878
17. Changes in deposits from customers	195,417,647	161,723,004
18. Changes in valuable papers issued (excluding issued valuable papers charged to financial activities)	36,302,363	24,005,308
19. Changes in grants, trusted funds and borrowings where the Bank bears risks	(57,829)	(154,422)
20. Changes in derivatives and other financial liabilities	(139,750)	555,946
21. Changes in other operating liabilities	(2,254,809)	(1,570,177)
I. Net cash generated by operating activities	102,188,686	28,768,348

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

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2024

Unit: VND Million

NO. ITEMS	Current year	Prior year
CASH FLOWS FROM INVESTING ACTIVITIES		
01. Acquisition of fixed assets	(1,362,079)	(804,101)
02. Proceeds from sales, disposals of fixed assets	15,158	10,473
03. Expenses on sales, disposal of fixed assets	(2,641)	(2,591)
04. Dividend from investments in other entities	20,539	92,337
II. Net cash (used in) investing activities	(1,329,023)	(703,882)
CASH FLOWS FROM FINANCING ACTIVITIES		
01. Proceeds from the sale of treasury stock	1,537	-
III. Net cash generated by financing activities	1,537	-
IV. Net increase in cash	100,861,200	28,064,466
V. Cash and cash equivalents at the beginning of the year	272,303,607	244,298,220
VI. Effects of changes in foreign exchange rates	154,749	(59,079)
VII. Cash and cash equivalents at the end of the year (Note 35)	373,319,556	272,303,607

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
General Director

28 February 2025

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Vietnam Joint Stock Commercial Bank for Industry and Trade (herein referred to as "the Bank"), is a joint stock commercial bank incorporated and registered in the Socialist Republic of Vietnam.

Establishment and operation

The Bank was incorporated on the basis of equitizing Vietnam Bank for Industry and Trade, a State-owned commercial bank that was incorporated under the name of Vietnam Industrial and Commercial Bank in accordance with Decree No. 53/ND-HDBT dated 26 March 1988 of the Council of Ministers on the organization of the State Bank of Vietnam ("SBV"). The Bank was officially renamed Vietnam Bank for Industry and Trade in accordance with Decision No. 402/CT dated 14 November 1990 granted by the Chairman of the Council of Ministers and remodeled to become a State Corporation under Decision No. 285/QĐ-NH5 dated 21 September 1996 of the Governor of the SBV. On 25 December 2008, Vietnam Bank for Industry and Trade successfully carried out its initial public offering.

On 03 July 2009, the Bank was equitized and renamed Vietnam Joint Stock Commercial Bank for Industry and Trade according to Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 issued by the SBV and Business Registration Certificate No. 0103038874 dated 03 July 2009 issued by Hanoi Authority for Planning and Investment. The latest (13th) amended Enterprise Registration Certificate No. 0100111948 was issued by Hanoi Authority for Planning and Investment on 08 January 2024. On 17 June 2022, the SBV granted Establishment and Operation License No. 13/GP-NHNN to replace the Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 and amending and supplementing decisions relating thereto from 2017 to 2021. The latest amending and supplementing decision related to the Establishment and Operation License was issued by the SBV on 21 February 2025.

The Bank was established to carry out banking activities under its Establishment and Operation License and Enterprise Registration Certificate, including receiving demand deposits, term deposits, savings deposits and other types of deposits; credit granting; opening current accounts for customers; providing domestic payment services; opening accounts; organizing internal payment and joining the national interbank payment system; providing cash management, banking and financial advisory services; services of managing, preserving assets, leasing cabinets, safe boxes; participating in bidding, purchasing and selling for Treasury bills, negotiable instruments, Government bonds, State Bank of Vietnam bills and other valuable papers on the money market; buying and selling Government bonds and corporate bonds; issuing certificates of deposit, promissory notes, treasury bills and bonds to mobilize capital according to the provisions of Law on credit institutions, Law on securities, the Government's regulations and the SBV's guidance; borrowing capital from the SBV in the form of refinancing according to the provisions of the Laws of the SBV and the SBV's guidance; having borrowings to/from and deposits at/from other credit institutions, branches of foreign banks, domestic and foreign financial institutions according to the provisions of law and the SBV's guidance; carrying out capital contribution, shares acquisition according to the provisions of law and the SBV's guidance; acting as trustor, trustee and agent in banking-related activities, insurance business and asset management according to the provisions of law and the SBV's guidance; trading and providing foreign exchange services on the domestic and international market within the scope prescribed by the SBV; trading, supplying interest rate derivatives; providing securities depository and gold trading services; e-wallet; supplying commodity price derivative products; investing in Government bond futures contracts; providing clearing and settlement services for securities transactions in accordance with the Securities Law; supervising bank according to securities regulation, payment agent.

Charter capital

The Bank's charter capital under the Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 is VND 11,252,973 million, of which State-owned capital is VND 10,040,855 million and capital raised from the Initial Public Offering is VND 1,212,118 million.

On 18 October 2010, the Bank completed its share issuance with 391,931,841 shares additionally issued, of which 76,848,603 shares were issued in form of share dividend payment and 315,083,238 shares were sold to the Bank's shareholders.

On 10 March 2011, the Bank completed its share issuance to a strategic shareholder with the total number of newly issued shares of 168,581,013.

On 28 December 2011, the Bank completed its share issuance to the existing shareholders with the total number of newly issued shares of 337,162,100.

On 13 April 2012, the Bank completed its share issuance to the existing shareholders with the total number of new issued shares of 598,782,376.

On 14 May 2013, the Bank completed its share issuance to Bank of Tokyo-Mitsubishi UFJ, Ltd. with the total number of newly issued shares of 644,389,811.

On 22 October 2013, the Bank completed its share issuance to the existing shareholders with the total number of newly issued shares of 457,260,208.

On 21 July 2021, the Bank completed its share issuance to the existing shareholders for dividend payment purpose with the total number of newly issued shares of 1,082,346,053.

On 14 December 2023, the Bank completed its share issuance to the existing shareholders for dividend payment purpose with the total number of newly issued shares of 564,241,139.

Accordingly, as at 31 December 2023, the Bank's charter capital is VND 53,699,917 million. In which, proportion of ownership interest of the Government is 64.46% and proportion of ownership interest of strategic shareholder named The Bank of Tokyo – Mitsubishi UFJ is 19.73%.

Operating network

The Head Office of the Bank is located at 108 Tran Hung Dao Street, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2024, the Bank has one (01) Head Office; two (02) local representative offices (in Da Nang and Ho Chi Minh City) and (01) overseas representative office in Myanmar; eight (08) administrative units including: one (01) School of Human Resource Development and Training, one (01) Card centre, one (01) Trade Finance Centre, five (05) Cash management centres; one hundred and fifty seven (157) branches and nine hundred and fifty three (953) transaction offices (including two (02) overseas branches).

Subsidiaries

As at 31 December 2024, the Bank has seven (07) subsidiary companies and one (01) subsidiary bank as follows:

No	Name	Operating Licence	Nature of Business	Proportion of Ownership interest of the Bank
1	Finance Leasing Company Limited – Viet Nam Joint Stock Commercial Bank for Industry and Trade	License of Establishment and Operation No. 53/1998/QD-NHNN5 dated 26 January 1998 issued by the SBV and the 1 st Business Registration Certificate No. 0101047075/GP dated 31 August 2009 by Hanoi Authority for Planning and Investment, the 11 th amendment dated 01 June 2022	Financial leasing	100%
2	Vietnam Bank for Industry and Trade Securities Joint Stock Company	Establishment and Operation License No. 107/UBCK-GP dated 01 July 2009 issued by the State Securities Commission and latest Amended License No. 103/GPDC-UBCK dated 17 January 2025	Securities activities	75.64%
3	Asset Management Company Limited - Viet Nam Joint Stock Commercial Bank for Industry and Trade	Business Registration Certificate No. 0302077030 dated 20 July 2010 issued by Department of Planning and Investment of Ho Chi Minh City, the 6 th amendment dated 12 January 2021	Asset management	100%
4	VietinBank Insurance Joint Stock Corporation	Establishment and Operation License No. 21GP/KDBH dated 12 December 2002 issued by the Ministry of Finance and Amended License No. 21/GPDC34/KDBH dated 20 November 2024 by the Ministry of Finance	Non-life insurance	73.37%
5	VietinBank Gold and Jewellery Trading Company Ltd	Enterprise Registration Certificate No. 0105011873a dated 25 November 2010 granted by Hanoi Authority for Planning and Investment, the 11 th amendment dated 02 July 2024	Trading, producing and refining gold, silver, precious stones	100%
6	VietinBank Fund Management Company Limited	Establishment and Operation License No. 50/UBCK-GP dated 26 October 2010 issued by State Securities Commission and Amended License No. 46/GPDC-UBCK dated 21 June 2024	Fund management	100%
7	VietinBank Global Money Transfer Company	Enterprise Registration Certificate No. 0105757686 dated 03 January 2012 issued by Hanoi Authority for Planning and Investment, the 1 st amendment dated 13 March 2015	Monetary transfer intermediary	100%
8	VietinBank Lao Limited	Enterprise Registration Certificate No. 068/NHCHDCNDL dated 08 July 2015 granted by Bank of the Lao P.D.R and Amended License No. 2947/NHCHDCNDL dated 27 September 2023	Finance and banking	100%

Employees

The total number of employees of the Bank and its subsidiaries as at 31 December 2024 was 24,731 (as at 31 December 2023: 24,642).

Disclosure of information comparability in the consolidated financial statements

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting. However, due to the Bank's large scale of operation, for the purpose of preparing these consolidated financial statements, the figures are rounded to and presented in millions of Vietnam Dong (VND Million). This presentation does not materially impact the consolidated financial statements in terms of the consolidated financial position, the consolidated financial performance and consolidated cash flows of the Bank. With regard to the number of shares, the Bank presented the items in Note 24.3.

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

Financial year

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

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

Adoption of new accounting guidance

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

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

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

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

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

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

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

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

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

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

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

- Regarding the classification of assets with credit risk, Circular 31 supplements requirements for debts arising from L/C operations, and removes requirements for purchases of promissory notes and bills of credit domestically issued by credit institutions, foreign bank branches;
- Regarding methods and principles of debt classification, Circular 31 amends and supplements requirements relating to the following: the principles of classification of entrusted amounts to issue letters of credit; the debts that a credit institution accepting mandatory transfer sells to a credit institution undergoing mandatory transfer according to a mandatory transfer plan approved by a competent authority, but proceeds from selling debts have not been fully recovered; the payment amount for purchase or for entrustment to purchase unlisted bonds whose terms can be extended in accordance with the law; discounting negotiable instruments and other valuable papers; debts arising from L/C operations; loans and deposits of a supporting credit institution at a special-control credit institution; loans, guarantees, deposits of credit institutions accepting mandatory transfer and other credit institutions at commercial banks undergoing mandatory transfer; debts that have their repayment terms restructured;

- For debts whose interest are exempted or reduced in according to the State Bank's regulations on restructuring debt repayment terms, exempting or reducing interest and fees, maintaining the debt group to support customers affected by Covid-19 are allowed to be reclassified into lower risk debt groups (including group 1) when fully meeting the conditions as prescribed in Circular 31;
- The discounted value of collaterals are nil for specific circumstances as prescribed in Decree 86; and
- Other debts arising between credit institutions and foreign bank branches in Vietnam from activities governed by Decree 86 are not subject to general provisioning.

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

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

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

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

Circular No. 68/2024/TT-BTC dated 18 September 2024

On 18 September 2024, the Ministry of Finance issued Circular No. 68/2024/TT-BTC dated 18 September 2024 ("Circular 68") amending to circulars on securities transactions on securities trading system, clearing and settlement of securities transactions, operations of securities companies and disclosure of information on securities market. Circular 68 takes effect from 02 November 2024.

The Board of Management has applied the 2024 Law on Credit Institutions, Decree 86, Decision 1510 and the aforementioned Circulars in the Bank's consolidated financial reporting for the year ended 31 December 2024.

New guidances in issue but not yet effective

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

On 29 November 2024, the National Assembly of Vietnam issued Law No. 56/2024/QH15 ("Law 56") amending Law on securities, Law on accounting, Law on independent audit, Law on State budget, Law on management and use of public property, Law on tax administration, Law on personal income tax, Law on national reserves and Law on penalties for administrative violations. Law 56 takes effect from 01 January 2025, except for certain provisions effective from 01 April 2025 and 01 January 2026.

The Board of Management assesses that there is no material impact to comparative figures in consolidated financial statements of the Bank in the future when applying Law 56.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

The consolidated financial statements incorporate the separate financial statements of the Bank and the financial statements of the enterprises/bank controlled by the Bank ("its subsidiaries") for the year ended 31 December 2024. Control is achieved when the Bank has the power to govern the financial and operating policies of investee enterprises so as to obtain benefits from their activities.

The operating results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Bank. All internal transactions and balances between the Bank and its subsidiaries and among subsidiaries are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

On acquisition, the assets, liabilities and contingent liabilities of the subsidiaries are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Investments in joint ventures

A joint venture is a contractual arrangement whereby the Bank and other parties undertake an economic activity that is subject to joint control, i.e., the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Bank reports its interests in jointly controlled entities using the equity method of accounting. According to equity method of accounting, investments in joint ventures are initially stated at historical cost. Subsequently, interests in joint ventures are adjusted by post-acquisition changes in the Bank's share of the net assets of the joint ventures.

Foreign currencies

According to the Bank's accounting system, all transactions are recorded in original currencies. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into VND using the average buying and selling spot exchange rates at the close of business of the year-end date if the difference between this rate and the weighted average buying and selling exchange rate of the same day is less than 1% (see details of foreign currency rates applied as at 31 December 2024 in Note 51). Otherwise, the Bank uses the weighted average buying and selling exchange rates ruling at the year-end date for conversion. Income and expenses arising in foreign currencies of the Bank are converted into VND at exchange rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities from foreign currencies into VND are recognized in the consolidated income statement.

Cash and cash equivalents

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

Placements with and loans to other credit institutions

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

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

Derivatives

Foreign currency forward and swap contracts

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

As at the date of the consolidated financial statements, commitments of foreign currency forward contracts and swap contracts are revaluated and exchange differences arising from the revaluation of foreign currency denominated balances of these contracts are recognized in the consolidated income statement.

Interest rate swap contracts

Commitments of one-currency-interest-rate swap contracts are not recorded in the consolidated statement of financial position. For two-currency-interest-rate swap contracts with nominal principal swap, commitments are recognized in the consolidated statement of financial position. Income and expenses arising from interest rate effects are recorded on the accrual basis. For two-currency-interest-rate swap contracts without nominal principal swap, commitments are recognized in the consolidated statement of financial position at the date of principal exchange. Income and expenses arising from interest rate effects are recorded on accrual basis.

Loans to customers

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

Provision for credit losses

Classification of loans and provision for credit losses

Under Circular 31 and Decree 86, the Bank is required to apply loan classification and credit risk provisioning to the Assets (hereinafter referred to as "debts") including:

- Loans;
- Finance leasing;
- Discounts, rediscounts of negotiable instruments and other valuable papers;
- Factoring;
- Credit facilities in the form of credit card issuance;
- Payments on behalf under off-balance-sheet commitments include payments made on behalf of customers under transactions of guarantee and letters of credit (L/C) (except for payments made on behalf of customers under transactions of Usance Payable at Sight (UPAS) L/C that allow the beneficiary to be paid immediately or before the L/C due date, and those under transactions of L/C reimbursement as agreed with customers using the reimbursing bank's funds from the date the reimbursing bank pays the beneficiary; transactions of L/C payment negotiation) and other payments made on behalf of customers under off-balance sheet commitments;
- Amounts for purchase and entrustment of purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on stock exchanges nor registered for trading on the UPCoM trading system (hereinafter referred to as unlisted bonds), excluding the purchase of unlisted bonds with trusted funds to which the trustee bears the risk;
- Credit granting entrustment;

Handwritten signature and stamp on the right margin.

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

Accordingly, customers' loans are determined to be the highest of risk group as classified under Article 10 and Article 11 of Circular 31 and customers' highest debt group at credit institutions provided by the Credit Information Center ("CIC") of the SBV at the time of loan classification.

The Bank and its subsidiaries maintains the same debt group for a number of loans in accordance with the provisions of Circular No. 10/2015/TT-NHNN dated 22 July 2015 and Circular No. 25/2018/TT-NHNN dated 24 October 2018 of the SBV amending and supplementing a number of articles of Circular No. 10/2015/TT-NHNN guiding the implementation of some contents of the Government's Decree No. 55/2015/ND-CP dated 09 June 2015 ("Decree 55") on credit policies for agricultural and rural development; Circular 02 and Circular 06 of SBV amending and supplementing a number of articles of Circular 02 providing instructions for credit institutions and foreign bank branches on debt rescheduling and debt category maintaining to assist borrowers in difficulty and documents of the SBV on debt classification and risk provisioning.

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

Specific provision at the year end date is calculated by subtracting the discounted value of collateral from the outstanding loan balance multiplied by the specific provision rate based on the loan classification result at the year-end. Specific provision rate for each debt group is prescribed as follows:

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

The additional specific provision to be made is specified in Circular 02. Accordingly, the Bank is required to make specific provision for debts to customers whose repayment terms of the remaining principal balance are rescheduled as prescribed by this Circular as follows:

- Up to 31 December 2023: by at least 50% of the specific provision to be additionally made; and
- Up to 31 December 2024: 100% of the specific provision to be additionally made.

Following Decree 86, a general provision is made for credit losses that are yet to be identified during the loan classification and specific provisioning process as well as in cases where the credit institutions encounter potential financial difficulty due to the deterioration in loan quality. Accordingly, the Bank is required to make and maintain a general provision at 0.75% of the total outstanding loan balances which are classified into groups 1 to 4, excluding deposits at domestic credit institutions and foreign bank branches in Vietnam as prescribed by law and deposits at overseas credit institutions; loans and forward purchase of valuable papers among credit institutions and foreign bank branches in Vietnam; purchases of certificates of deposit or bonds issued locally by other credit institutions and foreign bank branches; and repurchase agreements of Government bonds in accordance with Decree 86.

Write-off of bad debts

Provision is recorded as an expense on the consolidated income statement and used to write-off bad debts. In accordance with Decree 86, the Bank must set up Risk Management Committee to deal with bad debts if they are classified as Group 5, or if borrowers are either liquidated or bankrupted legal entities or deceased or missing individual.

Classification of off-balance-sheet commitments

The Bank classifies guarantee, acceptances of payment and irrevocable loan commitments and other credit risk bearing commitments (collectively referred to as "off-balance-sheet commitments") into groups as stipulated in Article 09, Article 10 or Article 11 of Circular 31. Accordingly, off-balance-sheet commitments are classified by risk level into the following groups: Standard, Special-mentioned, Substandard, Doubtful and Loss.

The Bank does not make general and specific provisions for off-balance-sheet commitments in accordance with the guidance of Decree 86.

Investments

Trading securities

Trading securities include debt securities, equity securities and other securities that the Bank and/or its subsidiaries has bought and had the intention to sell in the near future in order to gain benefits from price differences. Trading securities are recognized at cost at the date of transaction and subsequently recorded at cost during the holding period. Interest and cash dividends derived from trading securities are recognized on a cash basis in the consolidated income statement.

These securities are subject to impairment review at the date of the consolidated financial statements. Provisions for securities that are stipulated in the scope of Circular 31 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Decree 86. Provisions for impairment of securities that are not stipulated in the scope of Circular 31 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recognized in the consolidated income statement as "Net gain/ (loss) from trading securities".

Investment securities

Available-for-sale investment securities

Available-for-sale securities include debt and equity securities that the Bank and/or its subsidiaries holds for investment and available -for-sale purposes, not frequently traded but can be sold when there is a benefit. For equity securities, the Bank and/or its subsidiaries is neither the founding shareholder nor the strategic partner of the investees.

Available-for-sale equity securities are recognized at cost at the transaction date and subsequently recorded at cost during the holding period.

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

During the term of those securities in subsequent period, these securities are recorded at par value, and the discount/premium (if any) is amortised into the consolidated income statement using the straight-line method over the estimate remaining term of securities. The interest received during the securities term is recorded as follows: accumulative interest income before the purchasing date is recorded as a decrease from the cost of such securities and the same amount is credited into the accrued interest income; accumulative interest income after the purchasing date is recognised as the Bank's income on an accrual basis. Interest received in advance is recorded as income from securities investment using the straight-line method over the period of securities investment.

Periodically, available-for-sale securities are subject to impairment review. Provisions for securities that are stipulated in the scope of Circular 31 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Decree 86. Provisions for impairment of securities that are not stipulated in the scope of Circular 31 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the consolidated income statement as "Net gain/(loss) from investment securities".

Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities that the Bank and/or its subsidiaries purchases for investment purpose in order to gain interest and the Bank and/or its subsidiaries have intention and the capacity to hold the securities until maturity. Held-to-maturity securities have determinable value and fixed maturity dates. In case of being sold before maturity, they will be reclassified as trading or available-for-sale securities. Held-to-maturity investment securities are recognized similarly to available-for-sale debt securities.

Periodically, held-to-maturity securities are subject to impairment review. Provisions for securities that are fallen within the scope of Circular 31 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Decree 86. Provisions for impairment of securities that are not fallen within the scope of Circular 31 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the consolidated income statement as "Net gain/(loss) from investment securities".

Reclassification

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

Other long-term investments

Other long-term investments represent capital investments of the Bank and/or its subsidiaries in other enterprises at which the Bank and/or its subsidiaries either owns less than 11% of the voting rights and is a founding shareholder; or a strategic partner; or is capable of controlling, to some extent, the process of initiating and approving financial and operating policies of the investees, which is evidenced by a written agreement on delegating personnel for representation in the Board of Directors/Board of Management. These investments are initially recognized at cost at the transaction date and always carried at that cost during the subsequent holding period.

Provision for impairment of capital contribution, long-term investments

Provision for impairment of investments in capital contribution, long-term investments are made when the investee is operating at loss in accordance with prevailing accounting regulations.

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

Recognition

The Bank and/or its subsidiaries recognize investment securities and other investments at the date when the Bank performs the contractual terms (transaction-date based policy). Investment securities and other investments are initially recognized at cost. After initial recognition, investment securities and other investments are recognized under the above accounting policies.

Derecognition

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

Repurchase and re-sale contracts

Securities sold under agreements to be repurchased at a specific date in the future (repos) are recorded in the consolidated statement of financial position. The corresponding cash received from these agreements is recognized in consolidated financial statement as a borrowing and the difference between the sale price and the repurchase price is allocated to the consolidated income statement over the agreement validity period using the straight-line method based on the contractual interest rate.

Securities purchased under agreements to be resold at a specific date in the future (reverse repos) are not recognized in the consolidated financial statements. The corresponding cash paid under these agreements is recognized in the consolidated statement of financial position as a loan and the difference between the purchase price and resale price is amortized into the consolidated income statement over the agreement validity period using the straight-line method based on the contractual interest rate.

Trust activities and trusted funds

The value of trusted funds is recorded when the trust contracts have been signed and trusted funds have been realised. Rights and obligations of the trustor and trustee relating to profit and profit sharing, trust fees, other rights and obligations comply with the terms of the signed contracts. The assets that are held under custody services are not considered assets of the Bank and/or its subsidiaries and therefore, they are not recognized in the consolidated statement of financial position of the Bank.

Tangible fixed assets

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

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

Intangible assets

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

Expenditures for improvements of intangible assets are capitalized. The expenditures related to intangible assets incurred after initial recognition and evaluated with certainty, increasing the economic benefits of the intangible fixed assets compared to the initial activity level, shall be capitalized. Other expenditures related to intangible assets incurred after initial recognition are charged to the consolidated income statement. When intangible assets are sold or disposed, their cost and accumulated amortisation are written off from the consolidated statement of financial position and any net gains or losses resulting from their disposals are recorded in the consolidated income statement.

Leasing

A lease is classified as a finance lease when significant rights and risks relating to ownership of the leased item are transferred to the lessee. All leases other than finance leases are classified as operating leases.

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

Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

<u>Assets</u>	<u>Estimated useful lives (Years)</u>
Buildings and structures	05 - 40
Machinery and equipment	03 - 07
Motor vehicles and transmission equipment	06 - 07
Management tools, equipment and other tangible fixed assets	03 - 06
Computer software and other intangible assets	02 - 05

Land use rights are not amortized if they are granted by the Government of Vietnam for an indefinite term. Land use rights with definite term are amortized over the granted term.

Prepaid expenses

Prepaid expenses include actual expenses that have arisen but are related to the results of production and business activities of many accounting periods. Prepaid expenses comprise prepaid office rentals, insurance commission and other prepaid expenses.

Office rentals represent the rental for office paid in advance. Prepaid office rental is allocated to the consolidated income statement using the straight-line method over the rental period.

Other prepaid expenses include repair, maintenance costs for assets, costs of tools and supplies issued for consumption, prepaid service charges and other prepaid expenses, which are expected to provide future economic benefits to the Bank. These expenses are capitalized as prepaid expenses and are allocated to the consolidated income statement using the straight-line method over the period of three years or less in accordance with prevailing accounting regulations.

Accounting policies for prepaid expenses on insurance commissions are presented in the section "Revenue and expenses of insurance activities" under the accounting policies for some specific operations of insurance business.

Receivables

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

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

Other provisions

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

Capital and reserves

Common shares

Common shares are classified as owners' equity.

Share premium

When capital is received from shareholders, the difference between selling price and par value is recorded as share premium in owners' equity. Incurred expenses that directly relate to the issuance of common shares are recognized as a decrease in share premium.

Treasury shares

When issued shares are repurchased, the aggregate amount paid, including expenses that directly relate to the repurchase of shares, after deducting taxes, is recorded as treasury shares and stated as a decrease in owners' equity.

Profit distribution

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

- Supplementary charter capital reserve: 10% of profit after tax but not exceeding the Bank's charter capital;
- Financial reserve fund: 10% of profit after tax; and
- Development Investment fund and other reserves Other reserves: established in accordance with current regulations and the Decisions of the General Shareholders' meeting.

Bonus fund for the Board of Management, bonus and welfare fund are established in accordance with the decision of the General Shareholders' meeting.

Reserves at the subsidiaries are made under the Bank's policy, except for those for the following subsidiaries, which are made in accordance with relevant legal regulations:

- Vietnam Bank for Industry and Trade Securities Joint Stock Company and VietinBank Fund Management Company Limited reserves are appropriated from their net profit after tax according to Circular No. 114/2021/TT-BTC dated 17 December 2021 annulling entirely Circular No. 146/2014/TT-BTC dated 06 October 2014 ("Circular 146") issued by the Ministry of Finance as follows:
 - The balance of the supplementary charter capital reserve built up according to the provisions of Circular 146 is used to supplement the charter capital in accordance with the provisions of Law on Securities No. 54/2019/QH14, related guiding documents and the Charter on organization and operation of these companies;
 - The balance of the operational risk and financial reserve built up according to the provisions of Circular 146 is used to supplement the charter capital or in accordance with decision of the General Shareholders' Meeting, Board of Members or Chairman/President in accordance with the provisions of Law on Securities No. 54/2019/QH14, related guiding documents and the Charter on organization and operation of these companies, ensuring that the financial safety ratios are met as prescribed by securities law.
- VietinBank Insurance Joint Stock Corporation reserves are appropriated from its net profit after tax according to Decree No. 46/2023/ND-CP dated 01 July 2023 issued by the Government at the following rate:
 - Statutory reserve fund: 5% of profit after tax, not exceeding 10% of the Company's charter capital.
- VietinBank Lao Limited: statutory reserve fund, investment and development fund and other funds are appropriated from VietinBank Lao Limited's net profit after tax according to Amended Law on Commercial Banks on 07 December 2018 published by the Lao National Assembly at the following rates:
 - Statutory reserve fund: 10% of profit after tax;
 - Investment and development fund: established in accordance with the owner's approval.

These reserves are built up at the end of the financial year.

Revenue and expenses

Interest and similar income/expenses

Interest income and interest expenses are recognized in the consolidated income statement on the accrual basis. The recognition of accrued interest income arising from the loans that are classified from group 2 to group 5 in accordance with Circular 31, accrued interest income on loans restructured and maintained as Standard loan groups (group 1) as prescribed in Circular 02, Circular 06, and Decree 55 will not be recognized in the consolidated income statement. Accrued interest income on such loans is recorded as an off-balance-sheet item and is recognized in the consolidated income statement upon actual receipt.

Income and expenses from interest on investments are recorded on the accrual basis. Accrued interest income of securities that are fallen within the scope of Circular 31 and classified from group 2 upwards is not recognized in the consolidated income statement for the year. These accruals are recorded as off-balance-sheet items and are only recognized in the consolidated income statement upon actual receipt.

Insurance income and expenses

For direct premium insurance transactions

Gross direct premiums are recognized in accordance with Circular 67/2023/TT-BTC dated 02 November 2023 ("Circular 67"). Accordingly, gross direct premiums are recognized when one of the following conditions is met: (1) the insurance contract has been entered into by the insurer and the insured, who have fully paid premiums; (2) there is evidence that the insurance contract has been signed and the insured has fully paid the premiums; and (3) when the insurance contract is concluded and the insurance business enterprise agrees with the policyholder on the premium payment period (including the grace period); and (4) when the insurance contract is concluded and there is an agreement with the policyholder on paying premiums in installments as per the insurance contract, the insurance enterprise or the branch of a foreign non-life insurance enterprise records revenue for the premium amount corresponding to the installment(s) that have arisen, and does not record revenue for premiums that are not yet due as per the agreement in the insurance contract.

In case of paying insurance premium in one lump sum: The payment period of insurance premium shall not exceed 30 days from the effective date of the insurance contract. In case the insurance period is less than 30 days, the payment period of insurance premium shall not exceed the insurance period.

In the case of the periodic payment, the payment period of the first premium payment period shall not exceed 30 days from the date of commencement of the insurance period under the insurance contract. Subsequent premium payment periods shall be made according to the agreement between the insurance enterprise, the branch of the foreign non-life insurance enterprise and the insurance buyer in the initially signed insurance contract. The insurance enterprise, the branch of the foreign non-life insurance enterprise and the insurance buyer shall not agree to change the payment period of the insurance premium during the implementation of the contract. In any case, the payment period of the insurance premium shall not exceed the insurance period under the insurance contract.

The prepaid premium before the due date as at the end of the fiscal year is recognized in the "Other payables and liabilities" item in the consolidated statement of financial position. Premium return and premium reduction are considered as revenue deduction and must be recorded separately. At the year end, these amounts are net-off to gross written premium to calculate net written premium in the "Income from services" item in the consolidated income statement.

Insurance claim expenses are recognized when the claim documents are completed and approved by the authorized person. The claims which have not been approved as at the consolidated balance sheet date are considered as outstanding claims and included in claim reserves.

The commission expense of each product is calculated at percentage of direct premium stated in Circular 67. Commission expenses are allocated and recognized in the consolidated income statement corresponding with the premium earned.

For reinsurance transactions

(i) Reinsurance ceded

Reinsurance premium ceded under treaty reinsurance agreements are recognized when gross written premiums within the recognition of the scope of the treaty agreements.

Reinsurance premium ceded under facultative reinsurance agreements is recognized when the facultative reinsurance agreement has been signed and when gross written premiums within the recognition of the scope of the facultative agreements.

Claim receipts from ceded policies is recognized when there is evidence of liability on the part of the reinsurer.

Commission on reinsurance ceded and other related revenue are recognized corresponding to reinsurance premium ceded incurred during the year. At the end of financial year, the reinsurance commission equivalent to the insurance commission which is not included in premium of the current year corresponding to unearned premium of reinsurance ceded shall be determined and allocated to the subsequent years based on registered method of unearned premium reserve.

(ii) Reinsurance assumed

Reinsurance assumed under treaty arrangement:

- Revenue and expenses relating to reinsurance assumed under treaty arrangements are recognized when the statement of account is received from the cedants.

Reinsurance assumed under facultative arrangement:

- Reinsurance premium assumed is recognized when the facultative reinsurance agreement has been signed and a statement of account (for each facultative reinsurance agreement) has been received from the cedants;
- Claim expenses for reinsurance assumed is recognized when the liability under agreement arises and when a statement of account has been sent to the reinsurer; and
- Commission on reinsurance assumed is recognized when the reinsurance premium is ceded and when a statement of account has been sent to the reinsurer. At the end of financial year, the part of insurance commission which is not included in expense of the year corresponding to unearned premium of reinsurance assumed shall be determined and allocated to the subsequent financial based on registered method for unearned premium reserve.

Income from service charges and commissions

Income from service charges and commissions is recorded in the separate income statement when service is rendered.

Income from guarantee and L/C commitment activities

Income from guarantee and L/C commitment activities is recognized on the accrual and allocation bases.

Income from securities trading

Income from securities trading is recognized as differences between selling price and cost of securities sold.

Recognition of dividends and profits received

Cash dividends and profits received from investment and capital contributions activities are recorded in the consolidated income statement when the Bank's right to receive dividends and profits has been established. Share dividends, which are distributed from profits of joint stock companies, are recognized neither as an increase in the value of received shares nor financial income in the consolidated financial statements but are only used for tracking the increase in the number of shares according to Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance.

Revenue from other services

When the contract results can be determined reliably, revenue will be recognized based on the level of work completion. If the contract results cannot be determined reliably, revenue will only be recognized at the recoverable level of the recorded expenses.

Recognition of receivables not yet collected

According to Circular No. 16/2018/TT-BTC dated 07 February 2018 issued by the Ministry of Finance, receivables recognized as accrued income but subsequently assessed to be not recoverable or not yet recoverable at the due date are recorded as reduction in revenue if the income has been accrued in the same financial year or recorded as other expenses if accrued in different financial year and monitored off-balance-sheet for collection. Upon actual receipt of these receivables, the Bank recognizes them as income according to the nature of the income in the consolidated income statement.

Expenses recognition principle

According to Circular 16, only incurred economic transactions which are deductible expenses in accordance with regulations of law on corporate income tax are recorded in the consolidated income statement by the Bank.

Taxation

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

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

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

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

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

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

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

Employee benefits

Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency, a government-affiliated agency. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of the employee's monthly basic salary for their working period. In addition, the Bank shall pay a subsidy of 02 months of additional salary based on job positions with the average key performance indicator ("KPI") of the six consecutive months before retirement.

Severance allowance

According to Article 46 of Labour Code No. 45/2019/QH14 effective from 01 January 2021, the Bank and its subsidiaries in Vietnam are responsible to pay severance allowance for employees who have regularly been working at the Bank for 12 months or more, with half-month salary allowance for each working year (clauses 1, 2, 3, 4, 6, 7, 9 and 10 of Article 34 of the Labor Code), except for those who are eligible for receiving pension under the provisions of the law on social insurance and those as specified at point e, clause 1, Article 36 of the Labor Code 2019. The working period used for calculation of severance allowance excludes the period that employees benefit from unemployment insurance in accordance with regulations and the working period that employees have received severance allowance and retrenchment benefits from employers. The salary as the basis for calculation of severance allowance shall be the average salary of the last 06 months under the employment contract before the termination of labor.

Unemployment insurance

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

Related parties

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

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

Technical reserves for insurance activities

The technical reserves are calculated in accordance with Circular 50 and Official Letter approved by the Ministry of Finance including Official Letter No. 2821/BTC-QLBH dated 13 March 2018 and Official Letter No. 2160/BTC-QLBH dated 28 February 2024. Details are as follows:

Technical reserves for non-life insurance

Unearned premium reserve

For non-life insurance policies, reinsurance policies ("insurance policy"), unearned premium reserve is made based on the coefficient of the insurance policy duration on a daily basis, calculated on the premium amount.

Claim reserve

For incurred and reported losses, claim reserves for direct insurance and assumed reinsurance and ceded reinsurance are made using the statistic of retention liabilities for each estimated loss incurred and reported.

For incurred but not reported ("IBNR") losses, reserves are established based on the statistical compensation rate over the previous three consecutive years. Specifically as follows:

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

Including:

The compensation amount incurred in a financial year includes the actual compensation paid during the year plus the increase/decrease in claim reserves for incurred losses that fall under insurance liability but have not been settled by the end of the financial year.

The average deferred time of claims requests is the average time from when the loss occurs to when the Corporation receives the loss notification or the claim request file (measured in days).

Catastrophe reserve

According to Vietnamese Accounting Standard ("VAS") No. 19 - Insurance Contract, catastrophe reserve for possible claims under contracts that are not in existence at the reporting date is no longer required. However, VietinBank Insurance Joint Stock Corporation follows the reserve policy in accordance with Circular 67, accordingly, catastrophe reserve for all types of insurance services is consistently made at 1% of total retained premiums for the year.

Technical reserve for health insurance

Mathematical reserve

- Regarding health insurance policies, reinsurance policies ("insurance policy") with a term of more than 1 year, mathematical reserve is made based on the coefficient of the insurance policy duration, on the basis of insurance premium.
- For health insurance and reinsurance contracts (insurance contracts) covering cases of death or permanent disability, the premium reserve is established based on the ratio of the insurance contract term per day on the basis of the insurance premium.

Unearned premium reserve

For health insurance and reinsurance contracts ("insurance contracts") with a term of less than one year, the premium reserve is established based on the ratio of the insurance contract term per day on the basis of the insurance premium.

Claim reserve

For incurred and reported losses, claim reserves for direct insurance and assumed reinsurance and ceded reinsurance are made using the statistic of retention liabilities for each estimated loss incurred and reported.

For incurred but not reported ("IBNR") losses, reserves are established based on the statistical compensation rate over the previous three consecutive years. Specifically as follows:

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

Including:

The compensation amount incurred in a financial year includes the actual compensation paid during the year plus the increase/decrease in claim reserves for incurred losses that fall under insurance liability but have not been settled by the end of the financial year.

The average deferred time of claim requests is the average time from when the loss occurs to when the Corporation receives the loss notification or the claim request file (measured in days).

Equalization reserve

Equalization reserve for health insurance is set up at 1% of retained premium in the year and recognised in catastrophe reserve account on the consolidated financial statements.

Offsetting

Financial assets and financial liabilities are offset and the net amounts are reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

The Bank is not allowed to offset reserves for direct insurance and assumed reinsurance against reserve for ceded reinsurance. Such reserves should be presented separately in the consolidated financial statement, in which unearned premiums reserve, claims reserve for direct insurance and assumed reinsurance and catastrophe reserve are recognized as liabilities in "Other payables and liabilities" item in the consolidated financial statement; while unearned premium reserve for outward reinsurance and claims reserve for ceded reinsurance are recognized as reinsurance assets in "Other assets" item in the consolidated statement of financial position.

5. CASH, GOLD AND GEMSTONES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Cash in VND	9,605,071	8,542,783
Cash in foreign currencies	1,501,440	1,160,875
Monetary gold	22,581	37,737
Non-monetary gold	17	-
Other precious metal and gemstones	18,440	18,185
	<u>11,147,549</u>	<u>9,759,580</u>

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Current account at the SBV		
- In VND	25,115,950	35,761,135
- In foreign currencies	9,315,707	4,835,924
	<u>34,431,657</u>	<u>40,597,059</u>

Balances with the SBV are for the purpose of payment and compulsory reserves at the SBV as required.

7. PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Placements with other credit institutions		
Demand deposits	243,465,753	188,427,117
- In VND	131,070,386	87,098,498
- In foreign currencies	112,395,367	101,328,619
Term deposits	127,064,285	70,802,900
- In VND	54,090,000	21,270,000
- In foreign currencies	72,974,285	49,532,900
	<u>370,530,038</u>	<u>259,230,017</u>
Loans to other credit institutions		
- In VND	6,841,198	11,630,801
- In foreign currencies	1,111,649	8,980,821
	<u>7,952,847</u>	<u>20,611,622</u>
Placements with and loans to other credit institutions	<u>378,482,885</u>	<u>279,841,639</u>

Analysis of placements with other credit institutions (except for current deposits at other domestic credit institutions and foreign bank branches, and placements with Vietnam Bank for Social Policies following the regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions under Circular 31) and loans to other credit institutions by quality is as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Standard	135,017,132	91,414,522
Special-mentioned	-	-
Sub-standard	-	-
Doubtful	-	-
Loss	-	-
	<u>135,017,132</u>	<u>91,414,522</u>

8. TRADING SECURITIES

8.1. Trading securities

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	1,708,606	1,489,551
Government bonds	623,734	348,604
Debt securities issued by other domestic credit institutions	808,448	509,047
Debt securities issued by domestic economic entities	276,424	631,900
Equity securities	1,282,086	1,186,579
Equity securities issued by other domestic credit institutions	295,703	365,172
Equity securities issued by domestic economic entities	986,383	821,407
	2,990,692	2,676,130
Provisions for impairment of trading securities	(191,817)	(188,225)
Provision for impairment	(188,514)	(154,106)
General provision	(2,073)	(4,739)
Specific provision	(1,230)	(29,380)
	2,798,875	2,487,905

8.2. Listing status of trading securities

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	1,708,606	1,489,551
Listed	1,102,967	348,604
Unlisted	605,639	1,140,947
Equity securities	1,282,086	1,186,579
Listed	1,001,563	977,441
Unlisted	280,523	209,138
	2,990,692	2,676,130

8.3. Quality analysis of securities classified as credit risk assets

	Closing balance	Opening balance
	VND Million	VND Million
Standard	1,060,272	1,024,047
Special-mentioned	24,600	64,600
Sub-standard	-	-
Doubtful	-	52,300
Loss	-	-
	1,084,872	1,140,947

8.4. Provisions for trading securities

Movements in provisions for trading securities for the year ended 31 December 2024 are as follows:

	General provision	Specific provision	Provisions for impairment	Total
	VND Million	VND Million	VND Million	VND Million
Opening balance	4,739	29,380	154,106	188,225
Provision (reversed)/made for the year	(2,666)	(28,150)	34,408	3,592
Closing balance	2,073	1,230	188,514	191,817

Movements in provisions for trading securities for the year ended 31 December 2023 are as follows:

	General provision	Specific provision	Provisions for impairment	Total
	VND Million	VND Million	VND Million	VND Million
Opening balance	3,912	-	212,872	216,784
Provision (reversed)/made for the year	827	29,380	(58,766)	(28,559)
Closing balance	4,739	29,380	154,106	188,225

9. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

	Net book value (at exchange rate as at the consolidated reporting date)		
	Assets	Liabilities	Net amount
	VND Million	VND Million	VND Million
As at 31 December 2024			
Currency derivative financial instruments	25,355	(298,910)	(273,555)
- Forward contracts	-	(298,910)	(298,910)
- Swap contracts	25,355	-	25,355
Interest rate derivative financial instruments	-	(117,286)	(117,286)
	25,355	(416,196)	(390,841)
As at 31 December 2023			
Currency derivative financial instruments	-	(467,558)	(467,558)
- Forward contracts	-	(347,868)	(347,868)
- Swap contracts	-	(119,690)	(119,690)
Interest rate derivative financial instruments	-	(88,388)	(88,388)
	-	(555,946)	(555,946)

10. LOANS TO CUSTOMERS

	Closing balance	Opening balance
	VND Million	VND Million
Loans to domestic economic entities and individuals	1,703,097,921	1,455,033,463
Discounting promissory notes and valuable papers	1,745,674	1,729,508
Finance leases	4,639,031	5,397,349
Payment made on behalf of customers	304,240	226,988
Loans by grants, investment trusts	1,752,217	1,796,376
Loans to foreign organisations and individuals	9,330,597	9,160,880
Others (*)	1,085,034	-
	1,721,954,714	1,473,344,564

(*) Closing balance represents VND 1,085,034 million receivables under transactions of Usance Payable at Sight (UPAS) L/C following Circular 31 and Decree 86.

Analysis of loan portfolio by quality

	Closing balance	Opening balance
	VND Million	VND Million
Standard	1,677,744,671	1,433,907,162
Special-mentioned	23,220,276	22,829,070
Sub-standard	2,817,030	2,508,483
Doubtful	4,824,119	4,721,294
Loss	13,348,618	9,378,555
	1,721,954,714	1,473,344,564

Analysis of loans portfolio by original term

	Closing balance	Opening balance
	VND Million	VND Million
Short-term loans (Up to 1 year)	1,137,144,961	961,733,146
Medium-term loans (From 1 to 5 years)	99,036,675	86,853,938
Long-term loans (Above 5 years)	485,773,078	424,757,480
	1,721,954,714	1,473,344,564

Analysis of loan portfolio by type of customers and type of businesses

	Closing balance	Opening balance
	VND Million	VND Million
State-owned enterprises	73,136,410	57,543,501
State-owned one-member limited enterprises	19,359,269	18,118,551
Two or more member limited liability enterprises with more than 50% of the State's share holding	7,902,552	7,315,766
Other limited companies	321,097,364	307,910,083
Joint stock companies with more than 50% of the State's share-holding	30,289,805	24,248,990
Other joint stock companies	475,334,520	407,852,471
Partnership companies	13,268	31,641
Private companies	15,702,350	14,656,644
Foreign invested enterprises	99,486,436	78,796,482
Cooperatives, cooperative unions	1,316,385	1,310,113
Household businesses, individuals	676,069,263	554,050,527
Administrative units, the Party, unions and associations	1,712,588	770,400
Others	534,504	739,395
	1,721,954,714	1,473,344,564

Analysis of loan portfolio by sector

	Closing balance	Opening balance
	VND Million	VND Million
Agriculture, forestry and aquaculture	50,717,337	48,414,349
Mining and quarrying	8,514,213	8,714,467
Production and processing	344,731,945	305,193,312
Electricity, fuel gas and water production and distribution	80,563,742	67,775,596
Construction	81,696,934	80,341,729
Wholesale and retail; repair of cars, motorcycles, motorbikes and other motor vehicles	647,083,816	550,695,326
Transport, warehouse and communication	38,078,919	30,068,029
Trade and service	303,117,790	259,757,577
Employment activities in households, production of material products and services for household self-consumption	108,289,226	74,853,804
Others	59,160,792	47,530,375
	1,721,954,714	1,473,344,564

11. PROVISIONS FOR CREDIT LOSSES ON LOANS TO CUSTOMERS

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

	General provision	Specific provision	Total
	VND Million	VND Million	VND Million
Opening balance	10,953,175	16,819,746	27,772,921
Provision made for the year	1,829,256	25,769,144	27,598,400
Provision used to write off bad debts for the year	-	(18,707,196)	(18,707,196)
Closing balance	12,782,431	23,881,694	36,664,125

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

	General provision	Specific provision	Total
	VND Million	VND Million	VND Million
Opening balance (Restated)	9,423,152	19,990,078	29,413,230
Provision made for the year	1,530,023	23,585,118	25,115,141
Provision used to write off bad debts for the year	-	(26,755,450)	(26,755,450)
Closing balance	10,953,175	16,819,746	27,772,921

12. INVESTMENT SECURITIES

12.1. Available-for-sale investment securities

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	188,180,862	180,218,858
Government bonds	80,284,569	75,593,875
Debt securities issued by other domestic credit institutions	104,824,865	100,838,818
Debt securities issued by domestic economic entities	3,071,428	3,786,161
Equity securities	376,615	376,615
Equity securities issued by domestic economic entities	376,615	376,615
	188,557,477	180,595,473
Provisions for impairment of available-for-sale investment securities	(134,036)	(139,267)
Provisions for impairment	-	(5,494)
General provision	(22,182)	(28,397)
Specific provision	(111,854)	(105,376)
	188,423,441	180,456,206

12.2. Held-to-maturity investment securities

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	26,635,861	864,999
Government bonds	61,248	400,000
Debt securities issued by domestic credit institutions	26,000,000	-
Debt securities issued by domestic economic entities	574,613	464,999
Provisions for impairment of held-to-maturity investment securities	(452,149)	(110,674)
General provision	-	(3,487)
Specific provision	(452,149)	(107,187)
	26,183,712	754,325

12.3. Quality analysis of securities classified as credit risk assets

	Closing balance	Opening balance
	VND Million	VND Million
Standard	121,532,324	93,386,243
Special-mentioned	-	-
Sub-standard	-	386,748
Doubtful	-	92,372
Loss	577,201	100,040
	122,109,525	93,965,403

12.4. Movements in provision for impairment of investment securities

Movements in provision for credit losses on investment securities for the year ended 31 December 2024 are as follows:

	Provision for available-for-sale investment securities			Provision for held-to-maturity investment securities		
	General provision	Specific provision	Provision for impairment	General provision	Specific provision	Total
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Opening balance	28,397	105,376	5,494	3,487	107,187	249,941
Provision (reversed)/made for the year	(6,215)	6,478	(5,494)	(3,487)	344,962	336,244
Closing balance	22,182	111,854	-	-	452,149	586,185

Movements in provision for credit losses on investment securities for the year ended 31 December 2023 are as follows:

	Provision for available-for-sale investment securities			Provision for held-to-maturity investment securities		
	General provision	Specific provision	Provision for impairment	General provision	Specific provision	Total
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Opening balance	29,875	-	35,357	3,726	-	68,958
Provision (reversed) for the year	(1,478)	105,376	(29,863)	(239)	107,187	180,983
Closing balance	28,397	105,376	5,494	3,487	107,187	249,941

13. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS

Analysis by type of investment

	Closing balance	Opening balance
	VND Million	VND Million
Equity investments in joint ventures (Note 13.1)	3,706,673	3,206,452
Other long-term investments	234,462	234,462
Provision for impairment of long-term investments	(7,291)	(14,431)
	3,933,844	3,426,483

13.1. Equity investment in joint ventures

	Closing balance			Opening balance		
	Net value of investment		Proportion of ownership interest	Net value of investment		Proportion of ownership interest
	Cost equivalent	using equity method		Cost equivalent	using equity method	
	VND Million	VND Million	%	VND Million	VND Million	%
Indovina Bank Ltd.	1,688,788	3,706,673	50	1,688,788	3,206,452	50
	<u>1,688,788</u>	<u>3,706,673</u>		<u>1,688,788</u>	<u>3,206,452</u>	

Indovina Bank Limited was established in Vietnam with the Head Office located in Ho Chi Minh City, whose main activity is providing banking services. This is a joint venture between the Bank and Cathay United Bank, a bank established in Taiwan. Indovina Bank Limited was granted Establishment and Operation License for Joint venture bank No. 101/GP-NHNN dated 11 November 2019 (replacing Operation License for Joint venture bank No. 08/NH-GP by the dated 29 October 1992) for the duration of 99 years with the charter capital of USD 193,000,000, equivalent to VND 3,377,500 million.

Since its establishment, as approved by the SBV, Indovina Bank Limited has made several capital increases, in which the value of capital contributed by the two parties to the joint venture increased but the proportion of contributed capital did not change. As at 31 December 2024, the charter capital of Indovina Bank Limited is USD 193,000,000, equivalent to VND 3,377,500 million.

14. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles, transmission equipment	Management tools, equipment and other tangible fixed assets	Total
	VND Million	VND Million	VND Million	VND Million	VND Million
Cost					
Opening balance	8,413,679	5,804,162	1,970,677	452,946	16,641,464
Acquisitions during the year	5,081	440,518	130,406	30,835	606,840
Transfer from construction in progress	132,245	30,800	11,773	8,920	183,738
Reclassification	(575)	(24,109)	24,374	310	-
Disposals	(5,326)	(111,509)	(59,121)	(3,564)	(179,520)
Other adjustments	1,419	(444)	175	(102)	1,048
Closing balance	<u>8,546,523</u>	<u>6,139,418</u>	<u>2,078,284</u>	<u>489,345</u>	<u>17,253,570</u>
Accumulated depreciation					
Opening balance	3,406,691	5,248,225	1,483,801	369,485	10,508,202
Depreciation charged for the year	303,436	261,471	153,570	33,392	751,869
Reclassification	(81)	(23,213)	23,478	(184)	-
Disposals	(5,326)	(108,344)	(57,905)	(3,525)	(175,100)
Other adjustments	7,313	4,826	3,464	3,780	19,383
Closing balance	<u>3,712,033</u>	<u>5,382,965</u>	<u>1,606,408</u>	<u>402,948</u>	<u>11,104,354</u>
Net book value					
Opening balance	<u>5,006,988</u>	<u>555,937</u>	<u>486,876</u>	<u>83,461</u>	<u>6,133,262</u>
Closing balance	<u>4,834,490</u>	<u>756,453</u>	<u>471,876</u>	<u>86,397</u>	<u>6,149,216</u>

Other information about tangible fixed assets:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND Million</u>	<u>VND Million</u>
Cost of tangible fixed assets fully depreciated but still in use	7,632,344	7,310,526
	<u>7,632,344</u>	<u>7,310,526</u>

15. INCREASES, DECREASES IN INTANGIBLE ASSETS

	<u>Land use rights</u>	<u>Computer software and other intangible assets</u>	<u>Total</u>
	<u>VND Million</u>	<u>VND Million</u>	<u>VND Million</u>
Cost			
Opening balance	4,119,986	2,684,421	6,804,407
Acquisitions during the year	42,601	88,916	131,517
Disposals	376	452	828
Other adjustments	(2,561)	(6,365)	(8,926)
Closing balance	<u>4,160,402</u>	<u>2,767,424</u>	<u>6,927,826</u>
Accumulated amortisation			
Opening balance	497,852	2,314,283	2,812,135
Amortisation charged for the year	39,704	226,416	266,120
Disposals	4,463	199	4,662
Other adjustments	(1,192)	(6,840)	(8,032)
Closing balance	<u>540,827</u>	<u>2,534,058</u>	<u>3,074,885</u>
Net book value			
Opening balance	<u>3,622,134</u>	<u>370,138</u>	<u>3,992,272</u>
Closing balance	<u>3,619,575</u>	<u>233,366</u>	<u>3,852,941</u>

Other information about intangible assets:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND Million</u>	<u>VND Million</u>
Cost of intangible assets fully amortized but still in use	1,339,591	1,121,928
	<u>1,339,591</u>	<u>1,121,928</u>

16. OTHER ASSETS

16.1. Receivables

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND Million</u>	<u>VND Million</u>
Construction in progress (i)	5,678,511	5,570,225
Purchases and major repair of fixed assets	1,159,331	898,437
External receivables (ii)	20,722,772	34,820,962
Internal receivables	206,285	165,130
	<u>27,766,899</u>	<u>41,454,754</u>

(i) Construction in progress

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Constructions in the Northern area	5,419,245	5,363,006
Constructions in the Central area	76,660	74,894
Constructions in the Southern area	182,606	132,325
	<u>5,678,511</u>	<u>5,570,225</u>

(ii) Closing balance does not include VND 1,085,034 million receivables under transactions of Usance Payable at Sight (UPAS) L/C following Circular 31 and Decree 86.

16.2. Other assets

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Materials and tools	316,109	233,131
Prepayments	3,382,712	3,233,940
Other assets	16,744	16,523
	<u>3,715,565</u>	<u>3,483,594</u>

16.3. Provision for impairment of other balance sheet assets

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Provision for bad debts	91,641	91,709
Provision for devaluation of inventories	14,371	14,988
Provision for credit losses	429	-
- <i>General provision</i>	429	-
	<u>106,441</u>	<u>106,697</u>

17. BORROWINGS FROM THE GOVERNMENT AND THE SBV

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Borrowings from the SBV	9,512,869	766,887
Loans under credit contracts	488,053	759,929
Borrowings for grants to State-owned enterprises	6,958	6,958
Discounting and rediscounting valuable papers	9,017,858	-
Current accounts held by the State Treasury	144,771,235	21,047,218
In VND	144,771,235	21,047,218
	<u>154,284,104</u>	<u>21,814,105</u>

18. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

18.1. Deposits from other credit institutions

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Demand deposits	204,152,599	173,335,962
- In VND	109,006,271	66,933,951
- In foreign currencies	95,146,328	106,402,011
Term deposits	49,367,028	86,556,784
- In VND	47,710,000	80,124,000
- In foreign currencies	1,657,028	6,432,784
	<u>253,519,627</u>	<u>259,892,746</u>

18.2. Borrowings from other credit institutions

	Closing balance	Opening balance
	VND Million	VND Million
- In VND	18,616,851	16,008,172
<i>In which: Discounting, rediscounting borrowings</i>	<i>11,184,500</i>	<i>877,824</i>
- In foreign currencies	4,004,777	28,420,803
	22,621,628	44,428,975

19. DEPOSITS FROM CUSTOMERS

	Closing balance	Opening balance
	VND Million	VND Million
Demand deposits	383,283,642	310,918,934
- Demand deposits in VND	321,102,773	268,541,833
- Demand deposits in foreign currencies	62,180,869	42,377,101
Term deposits	1,207,204,483	1,092,787,812
- Term deposits in VND	1,166,855,835	1,056,416,463
- Term deposits in foreign currencies	40,348,648	36,371,349
Deposits for specific purposes	9,979,781	2,135,004
- Deposits for specific purposes in VND	9,115,853	1,452,449
- Deposits for specific purposes in foreign currencies	863,928	682,555
Margin deposits	5,848,779	5,057,288
- Margin deposits in VND	5,457,579	4,372,632
- Margin deposits in foreign currencies	391,200	684,656
	1,606,316,685	1,410,899,038

Customer deposit portfolio by type of customers and type of businesses

	Closing balance	Opening balance
	VND Million	VND Million
State-owned enterprises	261,501,735	206,607,200
Single-member limited liability companies with 100% State ownership	35,305,294	34,591,565
Two or more member limited liability companies with over 50% State ownership or being controlled by the State	1,207,633	1,175,486
Other limited companies	53,388,909	47,922,236
Joint stock companies with more than 50% of the State's share-holding	54,869,865	57,340,227
Other joint stock companies	124,302,199	107,302,417
Partnership companies	15,990,097	10,815,715
Private companies	2,494,808	2,912,840
Foreign invested enterprises	139,851,804	116,263,061
Cooperatives, cooperative unions	853,633	513,389
Household businesses, individuals	803,110,358	721,872,561
Administrative units, the Party, unions and associations	78,506,393	62,125,812
Others	34,933,957	41,456,529
	1,606,316,685	1,410,899,038

20. GRANTS, TRUSTED FUND AND BORROWINGS WHERE THE BANK BEARS RISKS

	Closing balance	Opening balance
	VND Million	VND Million
Grants, trusted funds and borrowings in VND	402,575	450,857
Grants, trusted funds and borrowings in foreign currencies	1,777,375	1,786,922
	2,179,950	2,237,779

21. VALUABLE PAPERS ISSUED

	Closing balance	Opening balance
	VND Million	VND Million
Valuable papers in VND	151,678,019	115,375,611
Par value	151,677,939	115,375,611
Premium	80	-
Valuable papers in foreign currencies	71	116
Par value	71	116
	<u>151,678,090</u>	<u>115,375,727</u>

Details of the term of issued valuable papers:

Type of valuable papers	Promissory notes	Bearer bonds	Book-entry bonds	Certificate of deposit	Total
	VND Million	VND Million	VND Million	VND Million	VND Million
Closing balance					
<i>Term under 12 months</i>	153	-	-	96,457,274	96,457,427
Par value	153	-	-	96,457,274	96,457,427
- In VND	153	-	-	96,457,274	96,457,427
<i>Term from 12 months to under 5 years</i>	-	166	-	8,043,397	8,043,563
Par value	-	166	-	8,043,397	8,043,563
- In VND	-	166	-	8,043,326	8,043,492
- In foreign currency	-	-	-	71	71
<i>Term over 5 years</i>	-	-	47,177,100	-	47,177,100
Par value	-	-	47,177,020	-	47,177,020
- In VND	-	-	47,177,020	-	47,177,020
Premium	-	-	80	-	80
	<u>153</u>	<u>166</u>	<u>47,177,100</u>	<u>104,500,671</u>	<u>151,678,090</u>
Opening balance					
<i>Term under 12 months</i>	153	-	-	68,919,684	68,919,837
Par value	153	-	-	68,919,684	68,919,837
- In VND	153	-	-	68,919,684	68,919,837
<i>Term from 12 months to under 5 years</i>	-	166	-	4,432,989	4,433,155
Par value	-	166	-	4,432,989	4,433,155
- In VND	-	166	-	4,432,873	4,433,039
- In foreign currency	-	-	-	116	116
<i>Term over 5 years</i>	-	-	42,022,735	-	42,022,735
Par value	-	-	42,022,735	-	42,022,735
- In VND	-	-	42,022,735	-	42,022,735
	<u>153</u>	<u>166</u>	<u>42,022,735</u>	<u>73,352,673</u>	<u>115,375,727</u>

22. OTHER PAYABLES AND LIABILITIES

	Closing balance	Opening balance
	VND Million	VND Million
Internal payables	3,869,525	3,723,716
External payables (i)	14,431,977	15,515,215
Bonus and welfare funds	3,800,685	2,897,937
	<u>22,102,187</u>	<u>22,136,868</u>

(i) Details of external payables are as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Payments/receipts on behalf of other organisations	2,119,006	1,168,189
Amount due to customers and deferred payment	73,896	94,028
Corporate income tax payables	3,337,834	3,119,682
Other pending payments	2,803,217	3,048,330
Unearned revenue	4,253,734	4,798,048
Other payables relating to securities activities	558,485	832,766
Other tax payables	263,822	471,316
Payables relating to trade finance activities	6,000	5,999
Interbank payables	527,227	544,755
Money transfer payables	289,054	374,730
Payables relating to debt trading (*)	129,972	979,510
Other payables	69,730	77,862
	14,431,977	15,515,215

(*) Represents prepayments by partners related to debt selling activities. As at the date of the consolidated financial statements, the parties are in the process of transferring ownership and obligations for the debts sold.

23. THE BANK'S OBLIGATIONS TO THE STATE BUDGET

	Opening balance	Movements in the year		Closing balance
	VND Million	Payable	Paid	VND Million
		VND Million	VND Million	
a. Tax receivables				
Value added tax	3,077	-	2,942	6,019
Corporate income tax	901	-	-	901
	3,978	-	2,942	6,920
b. Tax payables				
Value added tax	377,020	1,278,396	1,550,470	104,946
Corporate income tax	3,119,682	6,224,495	6,006,343	3,337,834
Other taxes	94,296	1,480,645	1,416,065	158,876
	3,590,998	8,983,536	8,972,878	3,601,656

24. CAPITAL AND RESERVES

24.1. Movement in owners' equity

	Charter capital	Share premium	Other capitals	Foreign exchange reserves	Investment and development fund	Financial reserves fund	Capital supplementary reserve	Retained earnings	Non- controlling interests	Total
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Prior year's opening balance	48,057,506	8,974,677	836,032	120,993	75,825	10,628,682	5,370,125	33,513,021	739,447	108,316,308
Profit after tax for the year	5,642,411	-	-	-	-	-	-	(5,642,411)	-	-
Transfer from reserves to other capital	-	-	-	-	-	-	-	19,903,550	141,072	20,044,622
(Decrease) due to financial statements translation for consolidation purpose	-	-	-	(34,023)	(2,275)	(4,763)	-	(18,018)	-	(59,079)
Adjustment of the appropriation to reserves of previous years	-	-	-	-	-	6,250	3,126	(9,376)	-	-
Appropriation to reserves during the year	-	-	-	-	20,009	1,958,669	987,928	(2,966,605)	-	-
Appropriation to bonus and welfare funds	-	-	-	-	-	-	-	(2,409,538)	(19,299)	(2,428,837)
Other adjustments	-	-	-	-	-	-	-	(1,194)	-	(1,194)
Current year's opening balance	53,699,917	8,974,677	836,032	86,970	93,558	12,588,838	6,361,179	42,369,429	861,220	125,871,820
Profit for the year	-	-	-	-	-	-	-	25,348,215	134,352	25,482,567
Disposal of treasury shares	-	-	-	-	-	-	-	-	1,537	1,537
(Decrease) due to financial statements translation for consolidation purpose	-	-	-	156,135	558	926	-	(2,871)	-	154,748
Adjustment of the appropriation to reserves of previous years (*)	-	-	-	-	389,079	(286)	972,554	(1,361,633)	-	-
Appropriation to reserves during the year (*)	-	-	73,373	-	29,260	2,444,794	2,436,296	(4,983,438)	-	-
Appropriation to bonus and welfare funds (*)	-	-	-	-	-	-	-	(2,718,159)	(26,380)	(2,744,539)
Other adjustments (**)	-	-	-	-	-	-	-	(261,425)	-	(261,425)
Closing balance	53,699,917	8,974,677	909,405	243,105	512,455	15,034,273	9,770,029	58,390,118	970,729	148,504,708

(*) According to Resolution No. 27/NQ-DHDCD dated 27 April 2024 and Resolution No. 033/NQ-HDQT-NHCT-VPHDQT1 dated 18 February 2025, the Bank has appropriated statutory funds and bonus and welfare funds from retained earnings in 2023.

(**) Including additional VAT payment for letters of credit of previous years according to Document No. 5366/TCT-DNL of the General Department of Taxation dated 30 November 2023 and other adjustments.

24.2. Details of the Bank's shares

	Closing balance		Opening balance	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
	VND Million	VND Million	VND Million	VND Million
Capital of Government	34,616,763	-	34,616,763	-
Contributed capital	19,083,154	-	19,083,154	-
Share premium	8,974,677	-	8,974,677	-
	62,674,594	-	62,674,594	-

24.3. Details of the Bank's shares

	Closing balance	Opening balance
Number of registered shares for issue (unit)	5,369,991,748	5,369,991,748
Number of shares in circulation (unit)	5,369,991,748	5,369,991,748
- Ordinary shares (unit)	5,369,991,748	5,369,991,748
Par value of share in circulation (VND)	10,000	10,000

25. INTEREST AND SIMILAR INCOME

	Current year	Prior year
	VND Million	VND Million
Interest income from deposits	5,897,711	4,198,071
Interest income from loans to customers	107,967,839	117,727,919
Interest income from debt securities	7,116,454	8,028,531
- Interest income from trading securities	27,080	45,583
- Interest income from investment securities	7,089,374	7,982,948
Income income from guarantee services	1,827,000	1,351,989
Interest income from finance leases	472,013	553,980
Other income from credit activities	1,179,668	811,247
	124,460,685	132,671,737

26. INTEREST AND SIMILAR EXPENSES

	Current year	Prior year
	VND Million	VND Million
Interest expenses on deposits	52,868,897	68,832,836
Interest expenses on borrowings	2,477,779	3,377,151
Interest expenses on valuable papers issued	6,493,137	6,731,245
Expenses on other credit activities	218,078	773,027
	62,057,891	79,714,259

27. NET GAIN FROM SERVICES

	Current year	Prior year
	VND Million	VND Million
Income from services	12,232,801	12,384,836
Income from settlement services	4,308,911	4,023,949
Income from consulting, trust and agency services	961,413	920,274
Income from insurance services	3,373,007	2,834,302
Others	3,589,470	4,606,311
Expense for services	(5,536,813)	(5,271,107)
Expense for remittance services	(3,096,956)	(2,951,804)
Expense for consulting, trust and agency services	(195,158)	(193,429)
Expense for insurance services	(1,433,124)	(1,400,051)
Others	(811,575)	(725,823)
Net profit from services	6,695,988	7,113,729

28. NET GAIN FROM FOREIGN CURRENCY TRADING

	Current year	Prior year
	VND Million	VND Million
Income from trading foreign currencies	15,128,843	10,198,100
Income from spot trading foreign currencies	6,592,377	3,020,271
Income from trading gold	861,008	1,399,596
Income from trading currency derivative financial instruments	7,675,458	5,778,233
Expenses for trading foreign currencies	(10,932,161)	(5,949,991)
Expenses for spot trading foreign currencies	(978,803)	(414,920)
Expense for trading gold	(807,582)	(1,390,053)
Expenses for trading currency derivative financial instruments	(9,145,776)	(4,145,018)
Net gain from trading foreign currencies	4,196,682	4,248,109

29. NET (LOSS) FROM TRADING SECURITIES AND INVESTMENT SECURITIES

29.1. Net gain from trading securities

	Current year	Prior year
	VND Million	VND Million
Income from trading securities	125,760	275,667
(Expense) for trading securities	(30,339)	(11,600)
(Appropriation) of provision for impairment of trading securities	(3,592)	28,559
Net gain from trading securities	91,829	292,626

29.2. Net (loss) from investment securities

	Current year	Prior year
	VND Million	VND Million
Income from trading investment securities	50,560	29,258
(Expense) for trading investment securities	(2,360)	(2,396)
(Appropriation) of provision for impairment of investment securities	(336,244)	(180,983)
Net (loss) from trading investment securities	(288,044)	(154,121)

30. NET GAIN FROM OTHER ACTIVITIES

	Current year	Prior year
	VND Million	VND Million
Other operating income	10,687,733	7,080,218
Income from write-off bad debts	8,480,766	4,671,302
Income from transfer, disposals of assets	15,158	10,472
Income from other derivatives	1,111,458	1,222,853
Other income	1,080,351	1,175,591
Other operating expenses	(2,268,947)	(1,277,142)
Expense for trading other derivatives	(1,659,060)	(869,686)
Expense for transfer, disposals of assets	(2,641)	(2,591)
Other expenses	(607,246)	(404,865)
Net gain from other activities	8,418,786	5,803,076

31. INCOME FROM CAPITAL CONTRIBUTION, EQUITY INVESTMENTS

	Current year	Prior year
	VND Million	VND Million
Dividends received in cash from capital contribution, equity investments	20,539	92,337
- From equity investment securities	13,284	31,436
- From capital contribution and long-term investments	7,255	60,901
Share from net profit under equity method of investments in joint ventures	370,109	194,931
	390,648	287,268

32. OPERATING EXPENSES

	Current year	Prior year
	VND Million	VND Million
Taxes, fees and charges	32,576	24,877
Staff cost	12,987,140	11,636,246
- Salaries and allowances	10,920,235	9,977,295
- Salary-based expenses	860,771	612,665
- Other allowances	4,432	2,732
- Other expenses	1,201,702	1,043,554
Expenses for fixed assets	2,862,498	2,715,410
- Depreciation and amortisation expenses	1,017,405	999,288
- Others	1,845,093	1,716,122
Expenses for operating management	5,114,929	4,909,040
- Per diems	222,973	216,960
- Expenses for union activities	12,233	25,821
- Others	4,879,723	4,666,259
Insurance premium for customers' deposits	1,121,094	985,905
Expense for provision	427,692	172,021
	22,545,929	20,443,499

33. CORPORATE INCOME TAX EXPENSE ("CIT")

	Current year	Prior year
	VND Million	VND Million
Profit before corporate income tax	31,763,925	24,989,525
Adjustments for:		
- Non-taxable dividend income	(20,539)	(451,972)
- Profit before tax of subsidiaries	(891,368)	(864,653)
- Income from increase in interest in joint ventures	(370,109)	164,703
- Change in provision/revaluation for loans and bonds for consolidation purpose	(161,384)	(295,342)
- Others	188,471	144,791
Taxable income of the Holding Bank	30,508,996	23,687,052
CIT expense of the Holding Bank based on local taxable income	6,101,799	4,737,411
CIT expense of subsidiaries	184,099	207,433
CIT expense based on the taxable income	6,285,898	4,944,844
CIT payable at the beginning of the year	3,119,682	2,959,719
CIT receivable at the beginning of the year	901	2,344
CIT paid in the year	(6,006,343)	(4,790,442)
Adjustment for previous year's CIT	(61,403)	7,004
CIT payable at the end of the year	3,337,834	3,119,682
CIT receivable at the year end of the year	901	901

34. BASIC EARNINGS PER SHARE

Profit for calculation of basic earnings per share

	Current year	Prior year (Restated)	Prior year (Previously reported)
	VND Million	VND Million	VND Million
Profit after corporate income tax	25,348,215	19,903,550	19,903,550
Appropriation to bonus and welfare funds (*)	-	(2,718,159)	-
Profit for the year attributable to equity holder	25,348,215	17,185,391	19,903,550

(*) The prior year's appropriation to bonus and welfare funds is restated according to actual amount under the Resolution of the Board of Directors of the Bank and its subsidiaries in 2024 and before publishing audited consolidated financial statements for financial year ended 31 December 2024.

As at the date of the consolidated financial statements, the Bank and its subsidiaries have not yet estimated the appropriation to bonus and welfare funds for the financial year ended 31 December 2024. Therefore, the basic earnings per share is estimated not taking into consideration the appropriation to 2024 bonus and welfare funds. Actual appropriation to bonus and welfare funds for the financial year ended 31 December 2024 will be approved by the General Shareholders' Annual Meeting for the year 2025. Therefore, there may be a difference in the basic earnings per share in comparison to the above presented figures.

Number of ordinary shares for calculation of basic earnings

	Current year	Prior year (Restated)
	Share	Share
Number of ordinary shares issued carried forward from previous year	5,369,991,748	4,805,750,609
Effects of paying dividends by shares	-	564,241,139
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	5,369,991,748	5,369,991,748

Basic earnings per share

	Current year	Prior year (Restated)	Prior year (Previously reported)
	VND	VND	VND
Basic earnings per share	4,720	3,200	3,706

35. CASH AND CASH EQUIVALENTS

Cash and cash equivalents on the consolidated cash flow statement include items on the consolidated statement of financial position as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Cash, gold, gemstones and cash equivalents	11,147,549	9,759,580
Balances with SBV	34,431,657	40,597,059
Current deposits at other credit institutions	243,465,753	188,427,117
Placements with other credit institutions with terms not exceeding 3 months	84,213,349	33,317,112
Securities with recovery or maturity term not exceeding 3 months from the date of purchase	61,248	202,739
	373,319,556	272,303,607

36. EMPLOYEES' INCOME

	Current year	Prior year
I. Total number of employees (person)	24,359	24,595
II. Employees' income (VND million)		
1. Total salary fund	10,920,235	9,977,295
2. Other allowances	193,522	195,135
3. Total income (1+2)	11,113,757	10,172,430
4. Average monthly salary	37.36	33.81
5. Average monthly income	38.02	34.47

37. COLLATERALS AND MORTGAGES

Assets, valuable papers taken for mortgage, pledge and discount, rediscount

Details of customers' collaterals and mortgages at the Bank at the end of the year are as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Real estate	2,335,586,180	2,044,973,470
Movable assets	82,134,474	69,466,335
Deposits, gold, precious metals, gemstones, valuable papers	256,838,531	233,490,980
Other assets	613,145,734	663,513,407
	3,287,704,919	3,011,444,192

As at 31 December 2024, the Bank did not hold any collateral which the Bank is permitted to sell or re-pledge to a third party in case the customer (owner of the collaterals) is able to pay off the debt according to the law.

38. TRUST AND AGENCY ACTIVITIES FOR CREDIT INSTITUTIONS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Risk-free trusted fund operations	11,363	14,206
Agency service	9,078,148	7,589,698
	<u>9,089,511</u>	<u>7,603,904</u>

39. OFF-BALANCE-SHEET ITEMS WHERE THE BANK BEARS SIGNIFICANT RISKS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Contingent liabilities	190,252,618	166,973,823
Credit guarantees	15,390,290	8,785,288
Letters of Credit (L/C) commitments	66,691,329	55,986,789
Other guarantees	108,170,999	102,201,746
Commitments	867,340,987	794,940,617
Foreign exchange transaction commitments	804,229,724	726,235,823
Other commitments	63,111,263	68,704,794
	<u>1,057,593,605</u>	<u>961,914,440</u>

40. UNCOLLECTED INTEREST INCOME AND FEES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Uncollected loan interest	10,154,283	9,045,553
Uncollected interest from securities	385,782	452,153
Uncollected fees	124,124	111,545
	<u>10,664,189</u>	<u>9,609,251</u>

41. BAD DEBTS WRITTEN OFF

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Principals of written off bad debts under observation	92,407,435	83,201,615
Interests of written off bad debts under observation	71,994,817	64,418,730
Other written off bad debts	9,168	10,127
	<u>164,411,420</u>	<u>147,630,472</u>

42. OTHER ASSETS AND VALUABLE PAPERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Gold, gemstones in custody	80,879	47,734
Other assets in custody	10,469,024	8,503,445
Outsourced assets	12,129,496	11,590,006
Other valuable papers in custody	110,291,470	71,514,898
	<u>132,970,869</u>	<u>91,656,083</u>

43. RELATED PARTY BALANCES AND TRANSACTIONS

Details of significant transactions with related parties during the year ended 31 December 2024 are as follows:

Related parties	Relationship	Transactions	Current year	Prior year
			VND Million	VND Million
The State Bank of Vietnam	Direct owner and regulatory	Decrease/(Increase) in deposits at the SBV	(6,165,402)	10,869,949
		Increase/(Decrease) in borrowings from the SBV	8,745,982	(969,742)
Indovina Bank Limited	Joint venture	Dividends received	-	359,634
		Interest income from deposits	43,538	23,886
		Interest expenses of deposits	50,165	54
The Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Interest income from deposits	486	79
		Interest expenses of deposits	10,660	2,421
		Interest expenses of borrowings	12,326	184,044

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

Related party	Relationship	Balance	Receivables/(Payables)	
			Closing balance	Opening balance
			VND Million	VND Million
The State Bank of Vietnam	Direct owner and regulatory	Deposits at the SBV	34,431,657	40,597,059
		Borrowings from the SBV	(9,512,869)	(766,887)
Indovina Bank Limited	Joint venture	Deposits at the Bank	14,150,662	483
		Deposits of the Bank	(10,733,469)	(22,098)
		Accrued interest income	27,735	-
		Accrued interest expense	(29,394)	-
The Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Deposits of the Bank	37,680,280	196,921
		Deposits at the Bank	(327,300)	(180,918)
		Borrowings of the Bank	-	(714,098)
		Accrued interest income	193	-
		Accrued interest expense	-	(3,051)

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

Name	Title	Appointment/ Resignation Date	Current year VND Million	Prior year VND Million
BOARD OF DIRECTORS				
Mr. Tran Minh Binh	Chairman		2,583	2,485
Mr. Cat Quang Duong	Independent Member	Appointed on 27 April 2024	1,200	-
Mr. Nguyen Duc Thanh	Member		2,140	2,064
Mr. Nguyen The Huan	Member		1,938	1,869
Ms. Pham Thi Thanh Hoai	Member		1,694	1,631
Mr. Tran Van Tan	Member		1,712	1,650
Mr. Le Thanh Tung	Member		1,694	1,631
Mr. Nguyen Viet Dung	Member	Appointed on 17 October 2024	340	-
Ms. Nguyen Thi Bac	Independent Member	Resigned on 27 April 2024	600	1,800
Ms. Tran Thu Huyen	Member	Resigned on 23 April 2024	791	2,175
Member nominated by MUFJ partner (*)	Member		452	441
Board of Supervisors				
Ms. Le Anh Ha	Chief Supervisor		1,684	1,626
Ms. Nguyen Thi Anh Thu	Member		1,270	1,264
Ms. Pham Thi Thom	Member		985	965
BOARD OF MANAGEMENT				
Mr. Nguyen Tran Manh Trung	General Director	Appointed on 17 October 2024 (Deputy General Director until 16 October 2024)	1,910	1,789
Mr. Do Thanh Son	Deputy General Director	In charge of the Board of Management from 17 October 2024	2,303	2,033
Ms. Le Nhu Hoa	Deputy General Director		1,901	1,832
Mr. Le Duy Hai	Deputy General Director		1,777	1,654
Mr. Tran Cong Quynh Lan	Deputy General Director		2,379	2,236
Mr. Hoang Ngoc Phuong	Deputy General Director	Resigned on 28 March 2024	466	1,678
Mr. Nguyen Dinh Vinh	Deputy General Director	Resigned on 18 December 2024	2,176	1,977
Mr. Nguyen Hoang Dung	Deputy General Director	Resigned on 01 September 2023	-	1,645
Mr. Nguyen Hai Hung	Chief Accountant		1,991	1,927

(*) Member nominated by MUFJ partner includes:

Name	Title	Appointment/Resignation Date
Mr. Koji Iriguchi	Member	
Mr. Takeo Shimotsu	Member	Appointed on 27 April 2024
Mr. Masashige Nakazono	Member	Resigned on 27 April 2024

44. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE-SHEET ITEMS BY GEOGRAPHICAL REGIONS AS AT 31 DECEMBER 2024

	Total loan balance	Total deposits	Credit commitments	Derivatives (Difference between debit - credit)	Trading and investment of securities (Difference between debit - credit)
	VND Million	VND Million	VND Million	VND Million	VND Million
Domestic	1,720,640,114	1,998,815,408	189,951,212	(390,841)	218,122,782
Overseas	9,267,447	5,792,139	301,406	-	61,248
	<u>1,729,907,561</u>	<u>2,004,607,547</u>	<u>190,252,618</u>	<u>(390,841)</u>	<u>218,184,030</u>

45. SEGMENT REPORTS

A business segment is a distinguishable component of the Bank that is engaged in providing products and services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component the Bank that is engaged in providing products and services and that is subject to risks and returns that are different from those of components operating in other economic environments.

Primary segment report of the Bank is business segment report; secondary segment report of the Bank is geographical segment report.

Business segment report

NO.	ITEMS	Banking financial services	Non-banking financial services	Others	Off-set	Total
		VND Million	VND Million	VND Million	VND Million	VND Million
I.	Income	157,113,619	4,747,670	1,749,928	(534,189)	163,077,028
1.	Interest income	123,202,268	917,860	520,613	(180,056)	124,460,685
	- External interest income	123,054,663	886,676	519,346	-	124,460,685
	- Internal interest income	147,605	31,184	1,267	(180,056)	-
2.	Income from services	8,921,606	3,717,078	128,092	(533,975)	12,232,801
3.	Other income	24,989,745	112,732	1,101,223	179,842	26,383,542
II.	Expenses	(99,145,997)	(3,945,605)	(1,490,462)	867,790	(103,714,274)
1.	Interest expenses	(61,734,218)	(253,721)	(251,316)	181,363	(62,057,891)
	- External interest expenses	(61,691,561)	(115,015)	(251,315)	-	(62,057,891)
	- Internal interest expenses	(42,656)	(138,706)	(1)	181,363	-
2.	Depreciation and amortisation expenses	(995,151)	(12,383)	(9,871)	-	(1,017,405)
3.	Expenses directly related to operating business	(36,416,628)	(3,679,501)	(1,229,275)	686,427	(40,638,977)
	Net profit from operating activities before provision expenses for credit losses	57,967,622	802,065	259,466	333,601	59,362,754
	Provision expenses for credit losses	(27,255,062)	(315,141)	(3,484)	(25,142)	(27,598,829)
	Segment profit before tax	30,712,560	486,924	255,982	308,459	31,763,925
	Current corporate income tax expense	(6,131,186)	(95,532)	(59,180)	-	(6,285,898)
	Deferred corporate income tax expense	-	201	4,339	-	4,540
	Segment profit after corporate income tax	24,581,374	391,593	201,141	308,459	25,482,567
III.	Assets	2,367,790,675	16,582,910	8,583,653	(7,569,506)	2,385,387,732
1.	Cash on hand	11,102,591	2,169	42,789	-	11,147,549
2.	Fixed assets	9,828,856	113,792	59,509	-	10,002,157
3.	Other assets	2,346,859,228	16,466,949	8,481,355	(7,569,506)	2,364,238,026
IV.	Liabilities	2,223,030,699	12,756,795	6,436,556	(5,341,026)	2,236,883,024
1.	External liabilities	2,215,631,838	12,525,298	6,396,704	(5,341,026)	2,229,212,814
2.	Internal liabilities	7,398,861	231,497	39,852	-	7,670,210

Geographical segment report

NO.ITEMS	Northern (*) VND Million	Southern VND Million	Others VND Million	Off-set VND Million	Total VND Million
I. Segment profit before tax	13,079,675	12,953,682	5,422,109	308,459	31,763,925
Current corporate income tax expense	(6,248,699)	(13,627)	(23,572)	-	(6,285,898)
Deferred corporate income tax expense	4,540	-	-	-	4,540
II. Segment profit after corporate income tax	6,835,516	12,940,055	5,398,537	308,459	25,482,567
III. Segment assets	1,497,983,716	654,673,282	240,300,240	(7,569,506)	2,385,387,732
IV. Segment liabilities	1,367,019,848	641,600,790	233,603,412	(5,341,026)	2,236,883,024

(*) As at 31 December 2024, the Bank's Head Office in Northern region calculated and paid corporate income tax for all Bank's units.

46. FINANCIAL RISK MANAGEMENT POLICIES RELATED TO FINANCIAL INSTRUMENTS

Under the guidance of the SBV on enhancing the role of risk management in credit institutions, the Bank continues implementing risk management policies for its entire business.

In order to achieve sustainable development, improve operational efficiency and competitive advantage, the Bank has always been one of the pioneers in researching and applying international practices to its governance. In particular, the Bank has met requirement of the SBV in accordance with Basel II with the standards of risk management, capital management, information provision and has been implementing works related to internal and advanced calculation methods according to Basel II. The application of advanced practices in risk management is a prerequisite for the integration and expansion of the Bank's influence in the global financial banking industry. The Bank has always played a pioneering role in modernizing the banking system.

In 2024, the Bank continued actively studying and implementing projects in order to comprehensively enhance the management of all types of risks. Moreover, the Bank has continued to complete its policy system in five (5) levels, namely: (i) General policy regime, (ii) Detailed policies, (iii) Guidance documents on policies, (iv) General processes, and (v) Detailed processes for each product in order to ensure consistency and overall effectiveness of the policy system.

To manage financial risks, the Bank has issued regulations, procedures, detailed guidance, sets of indicators and internal limits as well as strictly managed the balance between assets and liabilities, tightly controlled business activities' growth and credit quality; complied with limitation and safety ratios for operation; requirements for risk management as stipulated in Circular No. 22/2019/TT-NHNN, Circular No. 41/2016/TT-NHNN, Circular No. 13/2018/TT-NHNN and amendments and supplements of the regulatory authorities and regulations of the SBV; and has gradually met requirements for risk management.

47. CURRENCY RISKS

Currency risk is the risk that the Bank's asset or value of an investment fluctuates due to changes in foreign exchange rates.

The Bank was incorporated and operates in Vietnam and its reporting currency is VND. The Bank's main transaction currency is VND, while a part of the Bank's asset-capital is in foreign currencies (USD, EUR, etc.). Thus, currency risk may arise.

To prevent the risk of exchange rate fluctuations, the Bank has synchronously applied the following measures:

Based on actual data collected, take into account the growth demand of affiliates and business orientations, the Asset – Liability Management ("ALM") Department and the Financial Planning & Management Department analyse, provide projections on cash inflows/outflows and propose the capital planning for each currency type (in VND, USD, and EUR equivalent) to the Management Board, which is managed based on actual daily cash flows to ensure operational safety and effectiveness of the whole system.

The Bank's capital mobilization and lending activities are mainly in VND, with a small part is in USD, EUR and other foreign currencies. According to each period's business plan, the Bank has a currency position in its capital trading activities when making financial transactions on the market. The Bank sets limits for positions of each main currency based on the Bank's risk appetite, internal risk capacity and regulations of relevant regulatory authorities.

Currency positions are managed on a daily basis and hedging strategies are used by the Bank to ensure that the positions of currencies are maintained within the established limits.

The book value of cash assets and cash liabilities denominated in foreign currencies as at 31 December 2024 are as follows:

ITEMS	EUR equivalent VND Million	USD equivalent VND Million	Gold equivalents VND Million	Other currencies equivalent VND Million	Total VND Million
Assets					
Cash	255,481	1,098,528	22,581	147,431	1,524,021
Balances with the State Bank of Vietnam	6,475	9,309,232	-	-	9,315,707
Placements with and loans to other credit institutions	1,256,788	83,865,260	-	101,359,253	186,481,301
Derivative financial instruments and other financial assets	-	7,280	-	-	7,280
Loans to customers (*)	1,623,350	80,425,515	-	3,539,588	85,588,453
Investment securities (*)	-	-	-	61,248	61,248
Fixed assets	30,487	-	-	83,134	113,621
Other assets (*)	1,514,792	480,000	-	139,602	2,134,394
Total assets (*)	4,687,373	175,185,815	22,581	105,330,261	285,226,030
Liabilities and owners' equity					
Deposits and borrowings from other credit institutions	249,890	26,173,801	-	74,384,442	100,808,133
Deposits from customers	2,571,987	97,604,314	-	3,608,344	103,784,645
Derivative financial instruments and other financial liabilities	426,154	41,707,688	-	25,614,713	67,748,555
Grants, trusted funds and borrowings where the Bank bears risks	121,921	1,555,007	-	100,447	1,777,375
Valuable papers issued	-	71	-	-	71
Other liabilities	951,598	711,209	-	228,248	1,891,055
Total liabilities	4,321,550	167,752,090	-	103,936,194	276,009,834
Balance sheet currency position	365,823	7,433,725	22,581	1,394,067	9,216,196

(*) Excluding provision.

48. INTEREST RATE RISK

Interest rate risk is the possibility of the Bank's income or asset value being affected when market interest rate fluctuates.

Interest rate risk of the Bank can derive from investment activities, capital mobilization and lending activities.

The re-pricing period for effective interest rate is the remaining period from the date of consolidated financial statements to the nearest interest rate re-pricing term of assets and capital. The following assumptions and conditions have been adopted in the analysis of the re-pricing period of the Bank's assets and liabilities:

- Cash; balances with the SBV; fixed assets; capital contribution, long-term investments and other liabilities are classified as non-interest-bearing items;
- The maturity of trading securities is calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds with fixed interest rates;
- The effective interest rate re-pricing term of placements with and loans to other credit institutions; derivative financial instruments and other financial assets; investment securities; loans to customers; other assets; borrowings from the Government and the SBV; deposits and borrowings from other credit institutions; deposits from customers; valuable papers issued; grants, trusted funds and borrowings where the Bank bears risks are determined as follows:
 - Items with fixed interest rate during the contractual period: the effective interest rate re-pricing term is determined from the reporting date to maturity date;
 - Items with floating interest rate: the effective interest rate re-pricing term is determined from the reporting date to the nearest interest rate re-pricing date;
 - Accrued income, accrued expenses: Classified as non-interest-bearing items.

The Bank's interest rate risk policies

For interbank lending activities (short-term), investment interest rate is based on the fluctuation of the market and the Bank's cost of capital. The interbank loans are usually short-term (of less than 3 months).

Based on forecasts on the market fluctuations of interest rate and its capital balancing ability, the Bank will make appropriate investment decisions. In case that interest rates are forecasted to go down, the Bank will strengthen long-term investments to increase profitability. In contrast, if interest rates are forecasted to go up, the Bank will increase short-term investments.

For capital mobilization activities, interest rates are determined based on the market price, the business orientation of the Bank's management, the Bank's capital balance and regulations of the SBV. The Bank's mobilized capital mainly has a short interest rate re-pricing term.

For lending activities, the Bank determines lending interest rates based on the principle of sufficient coverage for cost of capital, management expenses, risk considerations, collaterals' values and market interest rate to ensure the Bank's competitiveness & efficiency as well. The Head Office regulates the lending interest rate floor for each period; branches can decide lending interest rates of each customer for each period based on credit risk analysis and assessment provided that these rates are not below the regulated floor rate and the annual profit plan is assured. Besides, due to the capital structure mainly comprising funds with short interest rate re-pricing terms, the Bank requires that all long-term and medium-term loans' interest must be floating (interest rates are not fixed during the whole loans' periods) to minimize possible arising interest rate risk.

Interest rate risk management

The Bank manages interest rate risk at 2 levels: transaction level and portfolio level, in which the former is more focused.

Interest rate risk management at the portfolio level

- Since 2013, the Bank has issued regulations and procedures for managing interest rate risk on the banking book, which stipulate the principles for managing interest rate risk on the banking book through the process of identification, measurement, control and monitoring of risk to ensure the balance between the interest rate risk control/prevention goal and the maximization of net interest income as well as the economic value of equity in the business operations of the Bank.
- The Bank has completed the design, officially implemented and continuously upgraded the Assets-Liabilities Management ("ALM") software system, which runs to the transaction level under international practices, automatically provides reports on re-evaluation term differences by nominal terms and by behaviours, scenarios analysis reports on interest rate increase/decrease situations, etc. in order to facilitate the Bank's interest rate risk management activities.
- The Bank adjusts the re-pricing term of loans to the re-pricing term of capital, ensuring the re-evaluation term difference is within the permitted limit.

Interest rate risk management at the transaction level

- All credit contracts are required to include terms relating to interest rate risk prevention to ensure that the Bank can take initiative in coping with fluctuations of the market; lending interest rate must be set to accurately reflect the Bank's actual cost of capital.
- Management through the Fund Transfer Pricing (FTP) system: the Bank has completed and continuously improved the internal fund transfer pricing system (FTP), which enhanced the Bank's centralized management of capital and interest. Depending on the orientation of the Bank and the market movements, the Head Office can change the fund transfer price for each type of customers or products, etc. to give signals for the business units to determine their lending/capital mobilization rates for each transaction.



	Non-interest bearing	Overdue		Current						Total
		Over 03 months	Up to 03 months	Up to 01 month	From 01 to 03 months	From 03 to 06 months	From 06 to 12 months	From 01 to 05 years	Over 05 years	
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Assets										
Cash, gold and gemstone	11,147,549	-	-	-	-	-	-	-	-	11,147,549
Balances with the State Bank of Vietnam	34,431,657	-	-	-	-	-	-	-	-	34,431,657
Placements with and loans to other credit institutions	-	-	-	322,223,021	28,393,617	25,357,398	2,508,849	-	-	378,482,885
Trading securities (*)	-	-	-	2,990,692	-	-	-	-	-	2,990,692
Derivative financial instruments and other financial assets	-	-	-	7,280	-	-	-	-	-	7,280
Loans to customers (*)	109,001	21,473,008	22,737,035	415,474,633	476,381,755	539,976,782	159,066,568	85,082,990	1,652,942	1,721,954,714
Investment securities (*)	3,952,134	601,791	-	6,054,894	21,105,707	30,601,219	59,216,669	29,072,686	64,588,238	215,193,338
Capital contribution, long-term investments	3,941,135	-	-	-	-	-	-	-	-	3,941,135
Fixed assets	10,002,157	-	-	-	-	-	-	-	-	10,002,157
Other assets (*)	43,520,847	106,441	-	608,943	391,650	131,050	40,533	-	-	44,799,464
Total assets (*)	107,104,480	22,181,240	22,737,035	747,359,463	526,272,729	596,066,449	220,832,619	114,155,676	66,241,180	2,422,950,871
Liabilities										
Borrowings from the Government and the SBV	-	-	-	96,401,051	57,395,000	104,547	383,506	-	-	154,284,104
Deposits and borrowings from other credit institutions	-	-	-	270,708,882	2,635,678	2,757,955	38,740	-	-	276,141,255
Deposits from customers	-	-	-	719,533,838	323,821,302	245,477,673	262,118,899	55,224,356	140,617	1,606,316,685
Derivative financial instruments and other financial liabilities	-	-	-	398,121	-	-	-	-	-	398,121
Grants, trusted funds and borrowings where the Bank bears risks	-	-	-	-	1,618,725	561,225	-	-	-	2,179,950
Valuable papers issued	-	-	-	1,132,230	4,624,620	27,996,530	104,979,510	4,350,200	8,595,000	151,678,090
Other liabilities	45,892,099	-	-	-	-	-	-	-	-	45,892,099
Total liabilities	45,892,099	-	-	1,088,174,122	390,095,325	276,897,930	367,520,655	59,574,556	8,735,617	2,236,890,304
Balance sheet net interest gap	61,212,381	22,181,240	22,737,035	(340,814,659)	136,177,404	319,168,519	(146,688,036)	54,581,120	57,505,563	186,060,567

(*) Excluding provision

49. LIQUIDITY RISK

Liquidity risk is defined as the risk that the Bank has difficulties in meeting obligations associated with its financial liabilities. Liquidity risk arises when the Bank might be unable to meet its payment obligations at their due dates under normal or difficult scenarios or when the Bank has to mobilize funds at higher cost to meet its payment obligations.

The Bank had issued regulations and procedures on liquidity management, including rules about managing liquidity gap through maturity, liquidity risk ratios, stress test scenarios and backup plans to proactively take measures when facing market volatility. To minimize liquidity risk, the Bank plans to diversify its funding sources, develops a fund management report system to calculate liquidity position on a daily basis, as well as prepares analysis and forecast report on future liquidity positions on a regular basis, setting liquidity risk appetite and capacity.

At monthly ALCO Council meetings, fund balance and liquidity of the Bank is one of the key contents to be discussed. At Risk Management Committee, Risk Council meetings, the compliance with liquidity risk appetite and risk capacity is also reviewed and reported. Based on analysis and evaluation, Risk Management Committee/ALCO Council/Risk Council make recommendations to the Board of Directors and the Board of Management for future guidance to maintain the Bank's solvency in a safe and effective way.

In addition, the Bank also maintains a list of secondary liquid assets such as the Government bonds, which may be sold or under repurchased contracts with the SBV. It is not only a secondary reserve in liquidity stress circumstances (if any) but also a profitable investment for the Bank.

The maturity of assets and liabilities represents the remaining time from the reporting date of the consolidated financial statements until the payment date regulated in the contract or terms of issuance.

The following assumptions and conditions have been adopted in the analysis of the Bank's maturity relating to its assets and liabilities:

- Cash and balances with the SBV are classified into maturity up to one month;
- The maturity terms of placement with and loans to other credit institutions; derivative financial instruments and other financial assets; loans to customers; investment securities; other assets; borrowings from the Government and the SBV; deposits and borrowings from other credit institutions; valuable papers issued; grants, trusted funds and borrowings where the Bank bears risk; other liabilities are determined based on the contractual maturity date;
- The maturity of trading securities is calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds;
- The maturity date of capital contribution, long-term investments is classified as over five (05) years as these investments have no defined maturity;
- The maturity term of deposits from customers is determined based on customer behaviour analysis and forecasts on interest rate policy and other macroeconomic factors;
- The maturity date of fixed assets is classified as five (05) years or more.

Based on the Board of Management's approval of the annual business plan, the Asset & Liability Management Department and the Financial Planning & Management Department in cooperation with some other relevant specialized departments makes analysis and forecasts on cash inflows/outflows of the system according to the approved plan; and also based on the actual daily capital fluctuations and utilization, the Bank makes decisions on appropriate management and monitoring of available funds.

Based on the projection of available capital, the Asset & Liability Management Department and the Financial Planning & Management Department in cooperation with the Treasury Dealing Department manage the secondary reserve through the approval of highly liquid valuable papers purchases, which could be converted into cash on the secondary market. The Asset & Liability Management Department together with the Financial Planning & Management Department in cooperation with the Treasury Dealing Department may decide to sell valuable papers to the SBV on the open market, or to refinance loans when working capital is insufficient, ensuring the liquidity of the whole system.

Based on SBV's regulations, the Asset & Liability Management Department and the Financial Planning & Management Department in cooperation with the Treasury Dealing Department proposes the Bank's available fund management plan, ensuring the actual average balance of deposits in VND and foreign currencies at the SBV is not below the required level of compulsory reserve. Besides, the Bank also establishes credit limit with other banks and other credit institutions for mutual support when needed. The Market Risk Management Department acts as an independent supervisor to ensure that the liquidity risks are managed in compliance with regulations, management processes, and liquidity risk appetite/capacity of the Bank.

The amount of available funds is determined based on data from the Core Sunshine system, interbank payment program CITAD, Asset-Liability Management software, information about large cash flows from business units. Therefore, the Bank can actively manage its daily liquidity risk.

The Bank's liquidity risk management activities are monitored strictly in compliance with the regulations of the SBV and the Bank's internal criteria for liquidity management for each major currency (such as VND, USD, EUR) for capital mobilization and loan portfolios.

126
NG
NH
M T
.OI
T T
DA

	Overdue		Current					Total
	Over 03 months	Up to 03 months	Within 01 month	From 01 to 03 months	From 03 to 12 months	From 01 to 05 years	Over 05 years	
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Assets								
Cash, gold and gemstones	-	-	11,147,549	-	-	-	-	11,147,549
Balances with the State Bank of Vietnam	-	-	34,431,657	-	-	-	-	34,431,657
Placements with and loans to other credit institutions	-	-	322,223,020	28,393,617	27,866,248	-	-	378,482,885
Trading securities (*)	-	-	2,990,692	-	-	-	-	2,990,692
Derivative financial instruments and other financial assets	-	-	7,280	-	-	-	-	7,280
Loans to customers (*)	21,473,008	22,737,035	99,560,553	420,985,945	662,967,983	210,814,869	283,415,321	1,721,954,714
Investment securities (*)	601,791	-	10,007,027	21,105,707	89,817,889	29,072,686	64,588,238	215,193,338
Capital contribution, long-term investments (*)	-	-	-	-	-	-	3,941,135	3,941,135
Fixed assets	-	-	-	-	-	-	10,002,157	10,002,157
Other assets (*)	106,441	-	4,644,439	11,846,267	10,599,329	1,671,780	15,931,208	44,799,464
Total assets (*)	22,181,240	22,737,035	485,012,217	482,331,536	791,251,449	241,559,335	377,878,059	2,422,950,871
Liabilities								
Borrowings from the Government and the SBV	-	-	96,401,051	57,395,000	488,053	-	-	154,284,104
Deposits and borrowings from other credit institutions	-	-	270,708,881	2,635,678	2,796,696	-	-	276,141,255
Deposits from customers	-	-	198,263,602	329,707,693	667,308,495	410,874,426	162,469	1,606,316,685
Derivative financial instruments and other financial liabilities	-	-	398,121	-	-	-	-	398,121
Grants, trusted funds and borrowings where the Bank bears risks	-	-	11,936	43,687	43,687	353,835	1,726,805	2,179,950
Valuable papers issued	-	-	3,132,230	1,374,620	100,294,020	150,200	46,727,020	151,678,090
Other liabilities	-	-	21,568,027	14,860,483	7,846,864	1,616,725	-	45,892,099
Total liabilities	-	-	590,483,848	406,017,161	778,777,815	412,995,186	48,616,294	2,236,890,304
Net liquidity difference	22,181,240	22,737,035	(105,471,631)	76,314,375	12,473,634	(171,435,851)	329,261,765	186,060,567

(*) Excluding provision.

50. CREDIT RISK

Credit risk is the risk that results in the Bank's loss because its customers or counterparties default on their contractual obligations or fail to fulfil their committed obligations.

With the orientation of improving financial capacity, strictly controlling credit quality to ensure sustainable and effective growth, the Bank always tries to actively review and control the quality of credit portfolio, implement synchronously credit risk management at both portfolio and transaction levels. Accordingly:

- At portfolio level: in addition to establishing risk limits and annual credit orientation, the Bank regularly monitors the credit portfolio to give early warning about banks having indicators of potential risks (through Early Warning System, remote monitoring and face-to-face inspection) and strengthens credit granting secured by assets.
- At transaction level: the Bank focuses on the appraisal and thorough screening of customers, strengthens management and supervision, cash flow control and asset quality, and closely monitors customer activities to give appropriate and timely responses, minimizing the impact on the Bank's debt quality.

Maximum exposures to credit risk irrespective of collateral or their credit risk mitigation

Maximum exposures to credit risk irrespective of collateral or their credit mitigation for each asset class equal to the carrying amount (excluding provision) of that asset class on the consolidated statement of financial position as at 31 December 2024 which are presented as follows:

	Undue and unimpaired	Overdue and unimpaired	Impaired and provisioned for	Total
	VND Million	VND Million	VND Million	VND Million
Placements with and loans to other credit institutions	378,482,885	-	-	378,482,885
- <i>Placements with other credit institutions</i>	370,530,038	-	-	370,530,038
- <i>Loans to other credit institutions</i>	7,952,847	-	-	7,952,847
Loans to customers	1,661,677,966	373,248	59,903,500	1,721,954,714
Investment securities	214,616,137	-	577,201	215,193,338
- <i>Available-for-sale investment securities</i>	188,443,611	-	113,866	188,557,477
- <i>Held-to-maturity investment securities</i>	26,172,526	-	463,335	26,635,861
Total	2,254,776,988	373,248	60,480,701	2,315,630,937

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

	Closing balance	Opening balance
	VND	VND
USD	25,498	24,255
EUR	26,563	26,796
GBP	32,024	30,843
CHF	28,235	28,822
JPY	163.05	171.19
SGD	18,727	18,369
CAD	17,747	18,306
AUD	15,853	16,519
NZD	14,349	15,329
THB	746.31	706.53
SEK	2,321	2,421
NOK	2,254	2,390
DKK	3,562	3,595
HKD	3,284	3,105
CNY	3,493	3,411
KRW	17.67	18.65
LAK	1.22	1.19
MYR	5,329	5,329
XAU	8,625,000	(*)

(*) Not incurred.

52. SUBSEQUENT EVENTS

Except for event relating to appropriation of statutory funds and bonus and welfare funds from retained earnings in 2023 as stated in Note 24, no events occurred after the reporting date that have a material effect on the operations of the Bank, its consolidated financial position and the consolidated financial performance that require adjustment or disclosure in the consolidated financial statements.

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
General Director

28 February 2025