



VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the period then ended

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

Unit: VND Million

NO.	ITEMS	Notes	31 December 2024	31 Decmeber 2023 (Audited)
A	ASSETS			
I.	Cash, gold, silver and gemstones		11.147.549	9.759.580
II.	Banlances with the State Bank of Vietnam ("the SBV")		34.431.657	40.597.059
	Placements with and loans to other credit institutions			
III.	("CIs")		378.482.885	279.841.639
1	Placements with other CIs		370.530.038	259.230.017
2	Loans to other CIs		7.952.847	20.611.622
3	Provisions for impairment of loans to other CIs		-	-
IV.	Trading securities	1	2.797.955	2.487.905
1	Trading securities		2.990.692	2.676.130
2	Provisons for impairment of trading securities		(192.737)	(188.225)
	Derivatives financial instruments and other financial assets	2	-	-
VI.	Loans to customers		1.685.290.589	1.445.571.643
1	Loans to customers	3	1.721.954.714	1.473.344.564
2	Provision for credit losses of loans to customers	4	(36.664.125)	(27.772.921)
VII.	Investment securities	5	214.608.073	181.210.531
1	Available -for-sale investment securities		188.557.477	180.595.473
2	Held-to-maturity investment securities		26.635.861	864.999
3	Provisions for impairment of investment securities		(585.265)	(249.941)
VIII.	Capital contribution, long-term investments	6	3.933.844	3.426.483
1	Investments in joint ventures		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)
IX.	Fixed assets		10.002.157	10.125.534
1	Tangible fixed assets		6.149.216	6.133.262
a.	<i>Cost</i>		17.253.570	16.641.464
b.	<i>Accumulated depreciation</i>		(11.104.354)	(10.508.202)
2	Intangible fix assets		3.852.941	3.992.272
a.	<i>Cost</i>		6.927.826	6.804.407
b.	<i>Accumulated amortisation</i>		(3.074.885)	(2.812.135)
X.	Other assets		44.688.823	59.593.232
1	Other receivables		27.775.012	41.454.754
2	Interest and fee receivables		13.304.657	14.761.581
3	Deferred tax assets		30	-
4	Other assets		3.715.565	3.483.594
5	Provisions for impairment of other balance sheet assets		(106.441)	(106.697)
	TOTAL ASSETS		2.385.383.532	2.032.613.606

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

*Unit: VND
Million*

NO.	ITEMS	Notes	31 December 2024	31 December 2023 (Audited)
B	LIABILITIES AND OWNERS' EQUITY			
I.	Borrowings from the Government and the SBV	7	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	8	276.134.655	304.321.721
1	Deposits from other CIs		253.519.627	259.892.746
2	Borrowings from other CIs		22.615.028	44.428.975
III.	Deposits from customers	9	1.606.144.703	1.410.899.038
	Derivative financial instruments and other financial			
IV.	liabilities	2	398.121	555.946
	Grants, trusted funds and borrowings where the Bank			
IV.	bears risks		2.179.950	2.237.779
V.	Valuable papers issued	10	151.678.090	115.375.727
VI.	Other liabilities	11	44.619.771	51.537.470
1	Accrued fee and interest expenses		21.025.954	27.999.187
2	Deferred tax liabilities		-	171
3	Other payables and liabilities		20.830.398	22.136.868
4	Other provisions		2.763.419	1.401.244
	TOTAL LIABILITIES		2.235.439.394	1.906.741.786
VIII.	Capital and reserves			
1.	Contributed capital	13	63.583.999	63.510.626
a.	<i>Charter capital</i>		53.699.917	53.699.917
b.	<i>Capital construction investment</i>		-	-
c.	<i>Share premium</i>		8.974.677	8.974.677
d.	<i>Treasury shares</i>		-	-
e.	<i>Preferred shares</i>		-	-
g.	<i>Other capital</i>		909.405	836.032
2	Reserves		22.741.524	19.043.575
3	Foreign exchange reserves		243.105	86.970
4	Undistributed earnings		62.405.638	42.369.429
5	Non-controlling interests	13	969.872	861.220
	TOTAL LIABILITIES AND OWNERS' EQUITY		2.385.383.532	2.032.613.606

OFF-BALANCE-SHEET ITEMS

Unit: VND Million

OFF-BALANCE-SHEET ITEMS

NO.	ITEMS	Notes	31 December 2024	31 Decmeber 2023 (Audited)
1	Credit guarantees	21	15.390.290	8.785.288
2	Foreign exchange commitments	21	803.727.044	726.235.823
	<i>Foreign exchange commitments – buy</i>		6.892.967	1.407.060
	<i>Foreign exchange commitments – sell</i>		6.892.619	1.405.874
	<i>Cross currency swap contracts</i>		789.941.458	723.422.889
	<i>Future transaction commitments</i>		-	-
3	Irrevocable loan commitments		-	-
4	Letters of credit (L/C) commitment	21	66.691.329	55.986.789
5	Other guarantees	21	108.170.999	102.201.746
6	Other commitments	21	62.818.083	68.704.794
7	Uncollected interest income and fees		10.664.189	9.609.251
8	Bad debts written-off		164.411.420	147.630.472
9	Other properties and valuable papers		132.970.869	91.656.083

Hanoi, 24 January 2025

Prepared by



Tran Thi Thu Huong

Chief Accountant



Nguyen Hai Hung

General Director



Nguyen Tran Manh Trung

CONSOLIDATED INCOME STATEMENT
Quarter IV - 2024

Unit: VND Million

NO.	ITEMS	Notes	Quarter IV		Accumulated from the beginning of the year to the end of this quarter	
			Current year	Prior year	Current year	Prior year (Audited)
1.	Interest and similar income	14	32,435,002	32,957,080	124,449,608	132,671,737
2.	Interest and similar expenses	15	16,122,846	18,510,680	62,046,815	79,714,259
I.	Net interest income		16,312,156	14,446,400	62,402,793	52,957,478
3.	Income from services		2,841,356	3,305,608	12,236,640	12,384,836
4.	Expenses on services		1,601,657	1,791,899	5,530,503	5,271,107
II.	Net profit from services		1,239,699	1,513,709	6,706,137	7,113,729
III.	Net gain from trading foreign currencies		1,050,950	763,380	4,190,082	4,248,109
IV.	Net gain/loss from trading securities	16	13,430	83,052	92,743	292,626
V.	Net gain/loss from investment securities	17	8,716	(157,990)	(332,706)	(154,121)
5.	Other operating income		3,043,349	2,062,974	10,838,607	7,080,218
6.	Other operating expenses		412,485	467,771	2,379,421	1,277,142
VI.	Net profit from other activities		2,630,864	1,595,203	8,459,186	5,803,076
VII.	Income from equity investment in other entities	18	29,444	121,282	390,648	287,268
VIII.	Operating expenses	19	6,575,579	6,304,350	22,551,734	20,443,499
IX.	Net profit from operating activities before credit provision expenses		14,709,680	12,060,686	59,357,149	50,104,666
X.	Provision expenses for credit losses		2,464,267	4,472,642	27,598,829	25,115,141
XI.	Profit before tax		12,245,413	7,588,044	31,758,320	24,989,525
7.	Current corporate income tax ("CIT") expense		2,375,000	1,533,541	6,283,512	4,944,844
8	Deffered tax expense		(201)	59	(201)	59
XII.	Corporate income tax expense		2,374,799	1,533,600	6,283,311	4,944,903

CONSOLIDATED INCOME STATEMENT (continued)
Quarter IV - 2024

NO.	ITEMS	Notes	Quarter IV		Accumulated from the beginning of the year to the end of this quarter	
			Current year	Prior year	Current year	Prior year (Audited)
XIII. Profit after corporate income tax			9.870.614	6.054.444	25.475.009	20.044.622
XIV. Non-controlling interests			79.064	23.652	133.495	141.072
XV. Profit attributable to the owners of the Bank			9.791.550	6.030.792	25.341.514	19.903.550

Hanoi, 24 January 2025

Prepared by



Tran Thi Thu Huong

Chief Accountant



Nguyen Hai Hung

General Director



M.S.D.N: 0100111948 - C.T.C.P.
NGÂN HÀNG
THƯƠNG MẠI CỔ PHẦN
CỘNG HÒA VIỆT NAM
Q. HOÀN KIẾM - TP. HÀ NỘI

Nguyen Tran Manh Trung

CONSOLIDATED CASH FLOW STATEMENT
(Direct method)
Quarter IV - 2024

Unit: VND Million

NO.	ITEMS	Notes	Current period (from 01/01/2024 to 31/12/2024)	Prior period (from 01/01/2023 to 31/12/2023)
<i>Cash flows from operating activities</i>				
1	Interest and similar income received		125.632.413	130.262.777
2	Interest and similar expenses paid		(69.056.980)	(72.900.489)
3	Income received from services		7.289.119	7.129.372
4	Net cash received from trading activities (foreign currencies, gold and securities)		4.293.478	4.521.662
5	Other income/(expenses)		(876.668)	314.913
6	Cash recovered from bad debts written off or compensated by provision for credit losses		8.485.371	4.671.302
7	Payments to employees and for operating management		(20.152.294)	(18.023.866)
8	Corporate income tax paid for period		(6.067.746)	(4.790.442)
<i>Net cash from operating profit before movements in assets and working capital</i>			49.546.693	51.185.229
<i>Movements in operating assets</i>			(280.169.973)	(218.903.221)
9	(Increase)/Decrease in placements with and loans to other credit institutions		7.293.627	(11.169.611)
10	(Increase)/Decrease in trading securities		(34.188.919)	(9.929.090)
11	(Increase)/Decrease in derivatives and other financial assets		-	3.058.727
12	(Increase)/Decrease in loans to customers		(248.610.150)	(198.500.870)
13	Decrease in provisions for credit losses		(18.707.196)	(26.755.450)
14	(Increase)/Decrease in other operating assets		14.042.665	24.393.073
<i>Movements in operating liabilities</i>			332.769.728	196.486.340
15	(Increase)/Decrease in borrowings from the Government and the SBV		132.469.999	(82.965.197)
16	(Increase)/Decrease in deposits and borrowings from other credit institutions		(28.187.066)	94.891.878
17	(Increase)/Decrease in deposits from customers		195.245.665	161.723.004
18	(Increase)/Decrease in valuable papers issued (excluding issued valuable papers charged to financial activities		36.302.363	24.005.308
19	(Increase)/Decrease in grants, trust fund and borrowings where the Bank bears risks		(57.829)	(154.422)
20	(Increase)/Decrease in derivatives and other financial liabilities		(157.825)	555.946
21	(Increase)/Decrease in other operating liabilities		(2.845.579)	(1.570.177)
22	Expenditures from reserves of credit institution		-	-
I	Net cash generated by operating activities		102.146.448	28.768.348

CONSOLIDATED CASH FLOW STATEMENT (continued)

(Direct method)
Quarter IV - 2024

Unit: VND Million

NO.	ITEMS	Notes	Current period (from 01/01/2024 to 31/12/2024)	Prior period (from 01/01/2023 to 31/12/2023)
<i>Cash flows from investing activities</i>				
1	Acquisition of fix assets		(1.319.839)	(804.101)
2	Proceeds from sale, disposal of fixed asset		15.156	10.473
3	Payments for sales, disposal of fixed asset		(2.641)	(2.591)
4	Acquisition of investment properties		-	-
5	Proceeds from sale, disposal of investment properties		-	-
6	Payments for sales, disposal of investment properties		-	-
7	Payments for investments in other entities (Payments for investments in subsidiaries, investments in joint ventures and other long-term investments)		-	-
8	Proceeds for investments in other entities (Proceed from sales, disposal of subsidiaries, investments in joint ventures and other long-term investments)		-	-
9	Dividends and interest received from long-term investments and capital contributions.		20.539	92.337
II	Net cash flows from investing activities		(1.286.785)	(703.882)
<i>Cash flows from financing activities</i>				
1	Increase equity from capital contributions and/or shares issuance		-	-
2	Proceeds from issuing long-term valuable papers eligible for inclusion in own capital and other long-term loans		-	-
3	Payments for acquisition of long-term valuable papers eligible for inclusion in own capital and other long-term loans		-	-
4	Dividends paid to share holders		-	-
5	Payments for acquisition of treasury stock		-	-
6	Proceeds from sales, disposal of treasury stock		1.537	-
III	Net cash flows from financing activities		1.537	-
IV	Net cash flows during the period		100.861.200	28.064.466
V	Cash and cash equivalents at the beginning of the period		272.303.607	244.298.220
VI	Effects of changes in foreign exchange rates		154.749	(59.079)

CONSOLIDATED CASH FLOW STATEMENT (continued)
(Direct method)
Quarter IV - 2024

NO.	ITEMS	Notes	Current period	Prior period
			(from 01/01/2024 to 31/12/2024)	(from 01/01/2023 to 31/12/2023)

VII Cash and cash equivalents at the end of the period	20	373.319.556	272.303.607
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Hanoi, 24 January 2025

Prepared by



Tran Thi Thu Huong

Chief Accountant



Nguyen Hai Hung

General Director



Nguyen Tran Manh Trung

**VIETNAM JOINT STOCK COMMERCIAL BANK
FOR INDUSTRY AND TRADE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the period then ended

Form: B05a/TCTD

I. General information

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

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 ("the 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/QD-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 on the Establishment and Operation of a Joint Stock Commercial Bank (for operation term of 99 years) and Business Registration Certificate No. 0103038874 dated 03 July 2009 issued by Hanoi Department for Planning and Investment. The latest (13th) amended Enterprise Registration Certificate No. 0100111948 was issued by Hanoi Department 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 the amending and supplementing decisions relating thereto from 2017 to 2021. On 3 November 2023, the SBV issued Decision No. 2080/QD-NHNN on supplementing of operations on Operation License of Vietnam Joint Stock Commercial Bank for Industry and Trade and on 28 December 2023, the SBV issued Decision No. 2472/QD-NHNN on amending the amount of charter capital in the Establishment and Operation License of Vietnam Joint Stock Commercial Bank Industry and Trade.

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, the SBV 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 in accordance with 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 in accordance with the provisions of law and the SBV's guidance; carrying out capital contribution, shares acquisition in accordance with the provisions of law and the SBV's guidance; acting as trustor, trustee and agent in banking-related activities, insurance business and asset management in accordance with 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

**VIETNAM JOINT STOCK COMMERCIAL BANK
FOR INDUSTRY AND TRADE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the period then ended

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.

Form: B05a/TCTD

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 2024, the Bank's charter capital is VND 53,699,917,480,000 million dong.

VietinBank is the joint-stock commercial bank with largest charter capital in Vietnam's banking industry, which proportion of ownership of the Government is 64.46%, proportion of ownership of strategic shareholder named The Bank of Tokyo - Mitsubishi UFJ is 19.73% and proportion of other shareholders is 15.81%.

Type of capital ownership:

	Number of shares	Proportion of ownership
Shares owned by the Government	34,616,762,830,000	64.46%
Shares owned by other shareholders	19,083,154,650,000	35.54%
Total	53,699,917,480,000	100%

**VIETNAM JOINT STOCK COMMERCIAL BANK
FOR INDUSTRY AND TRADE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at 31 December 2024 and for the period then ended

Form: B05a/TCTD

Board of Directors:

The members of the Board of Directors during the period and at the date of this report are as follows:

Name	Position
Mr. Tran Minh Binh	Member of the Board of Directors. Appointed as Chairman of the Board for the 2024-2029 term on 27 April 2024, at the 2024 Annual General Meeting of Shareholders.
Mr. Nguyen Tran Manh Trung	Member of the Board of Directors. Appointed to the Board of Directors for the 2024-2029 term on 17 October 2024 at the Extraordinary General Meeting of Shareholders.
Ms. Tran Thu Huyen	Member (Appointed as an additional member to the Board of Directors for the 2014-2019 term on 24 July 2014; appointed to the Board of Directors for the 2019-2024 term at the 2019 Annual General Meeting of Shareholders on 23 April 2019). Resigned as a Member of the Board of Directors since 23 April 2024.
Mr. Nguyen Viet Dung	Member of the Board of Directors. Appointed to the Board of Directors for the 2024-2029 term at the Extraordinary General Meeting of Shareholders on 17 October 2024.
Mr. Koji Iriguchi	Member of the Board of Directors. Appointed to the Board of Directors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders.
Mr. Masashige Nakazono	Member of the Board of Directors. Appointed to the Board of Directors for the 2019-2024 term on 16 April 2021 at the 2021 Annual General Meeting of Shareholders. Resigned as a member of the Board of Directors at the General Meeting of Shareholders on 27 April 2024.
Mr. Takeo Shimotsu	Member of the Board of Directors. Appointed to the Board of Directors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders.
Ms. Nguyen Thi Bac	Independent member of the Board of Directors. Appointed to the Board of Directors for the 2019-2024 term on 23 May 2020 at the 2020 Annual General Meeting of Shareholders. Resigned as a Member of the Board of Directors at the General Meeting of Shareholders on 27 April 2024.
Mr. Cat Quang Duong	Independent member of the Board of Directors. Appointed to the Board of Directors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders.
Mr. Nguyen The Huan	Member of the Board of Directors. Appointed to the Board of Directors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders.
Ms. Pham Thi Thanh Hoai	Member of the Board of Directors. Appointed to the Board of Directors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders.

**VIETNAM JOINT STOCK COMMERCIAL BANK
FOR INDUSTRY AND TRADE**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the period then ended

Form: B05a/TCTD

Name	Position
Mr. Tran Van Tan	Board Member. Appointed to the Board of Directors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders.
Mr. Le Thanh Tung	Board Member. Appointed to the Board of Directors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders.
Mr. Nguyen Duc Thanh	Board Member. Appointed to the Board of Directors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders.

Board of Supervisors

The members of the Board of Supervisors during the period and at the date of this report are as follows:

Name	Position
Ms. Le Anh Ha	Head of the Board of Supervisors (Appointed to the Board of Supervisors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders; Appointed as Head of the VietinBank Board of Supervisors for the 2024-2029 term according to Resolution No. 01/NQ-BKS-2024 dated 27 April 2024).
Ms. Nguyen Thi Anh Thu	Member of the Board of Supervisors. Appointed to the Board of Supervisors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders.
Ms. Pham Thi Thom	Member of the Board of Supervisors. Appointed to the Board of Supervisors for the 2024-2029 term on 27 April 2024 at the 2024 Annual General Meeting of Shareholders.

Board of Management and Chief Accountant

The members of the Board of Management and the Chief Accountant during the period and at the date of this report are as follows:

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

**VIETNAM JOINT STOCK COMMERCIAL BANK
FOR INDUSTRY AND TRADE**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at 31 December 2024 and for the period then ended

Form: B05a/TCTD

Authorized person for signing the financial statements

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

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 one (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); seven (07) subsidiary companies and one (01) associate company; one (01) subsidiary bank in Laos.

Subsidiaries

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

Name	Operating License	Nature of business	Proportion of ownership
VietinBank Leasing Company Limited	Establishment and Operation License No. 53/1998/QD-NHNN5 dated 26 January 1998 issued by the SBV.	Finance and banking	100%
VietinBank Securities Joint Stock Company	Establishment and Operation License No. 107/UBCK-GP dated 1 July 2009 issued by the State Securities Commission and the latest amended license No. 62/GPDC-UBCK dated 1 August 2023 by the State Securities Commission.	Securities activities	75.6%
VietinBank Debt and Asset Management Company Limited	Business Registration Certificate No. 0302077030/GP 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%
VietinBank Insurance Joint Stock Corporation	Establishment and Operation License No. 21/GP-KDBH date 12 December 2002 issued by the Ministry of Finance and Amended License No. 21/GPDC34/KDBH dated 20 November 2024 issued by the Ministry of Finance.	Non-life insurance	73.4%

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<i>Name</i>	<i>Operating License</i>	<i>Nature of business</i>	<i>Proportion of ownership</i>
VietinBank Gold and Jewellery Trading Company Limited	Business Registration Certificate No. 0105011873/GP dated 25 November 2010 issued by Hanoi Department of Planning and Investment, the 11 th amendment dated 2 July 2024.	Trading, producing and refining gold, silver and gemstones	100%
VietinBank Fund Management Company Limited	Establishment and Operation License No. 50/UBCK-GP dated 26 October 2010 issued by the State Securities Commission and the latest Adjustment License No. 46/GPDC-UBCK dated 21 June 2024.	Fund management	100%
Vietinbank Global Money Transfer Company	Business Registration Certificate No. 0105757686 dated 3 January 2012 issued by Hanoi Department of Planning and Investment, the 1 st amendment dated 13 March 2015	Monetary transfer intermediary	100%
Vietinbank Lao Limited	Business Registration Certificate No. 068/NHCHDCNDL dated 8 July 2015 issued by the Central Bank of Lao P.D.R and Amended License No. 2947/DKDN dated 27 September 2023.	Finance and banking	100%

Investment in joint venture

<i>Name</i>	<i>Operating License</i>	<i>Nature of business</i>	<i>Proportion of ownership</i>
Indovina Bank Limited	Establishment and Operation License for Joint-venture Bank No. 101/GP-NHNN dated 11 November 2019 issued by the SBV (replacing Operation License for Joint-venture Bank No. 08/NH-GP dated 29 October 29, 1992 by the SBV).	Finance and banking	50%

Employees

The total number of employees of the Vietinbank as at 31 December 2024 was 24.731.

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II. Accounting period, accounting currency

1. Accounting period:

The accounting period for Quarter IV of VietinBank begins 01 October and ends on 31 December.

The accounting year of VietinBank begins on 01 January and ends on 31 December.

2. Accounting currency:

All arising transactions are accounted for in the original currency. Income and expenses in foreign currencies are accounted for in VND at the exchange rate on the transaction date through foreign currency trading.

VietinBank's consolidated financial statements are presented in millions of VND Million.

III. Adoption of accounting standards and accounting regimes

1. Report on Compliance with Accounting Standards:

The Bank applies Vietnamese Accounting Standards (VAS) and guidelines issued by Ministry of Finance that are effective during the financial year. The consolidated financial statements are prepared in compliance with the Vietnam accounting principles and practices, including:

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

2. Accounting regimes

VietinBank applies the accounting regime for credit institutions issued by the State Bank of Vietnam (the SBV) and effective in the fiscal year.

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3. Basis of assumptions and uses of significant accounting estimates

- Basis of assumptions: The consolidated financial statements are prepared in accordance with the Accounting System applicable to Credit Institutions required under Decision No. 479/2004/QD-NHNN dated 29 April 2004 issued by the Governor of the State Bank of Vietnam and effective from 1 January 2005 and amendment and supplement documents on Decision 479; Decision No. 16/2007/QD-NHNN dated 18 April 2007 of the Governor of the State Bank of Vietnam on "Promulgation of the financial reporting regime for credit institutions", Circular No. 49/2014/TT-NHNN amending and supplementing a number of provisions of the financial reporting regime for credit institutions attached with Decision No. 16/2007/QD-NHNN; Circular No. 22/2017/TT-NHNN dated 29 December 2017 amending and supplementing a number of articles of Accounting Accounts System for credit institutions attached Decision No. 479/2004/QD-NHNN dated 29 April 2004 and the financial reporting regime for credit institutions attached with Decision No. 16/2007/QD-NHNN dated 18 April 2007 of the Governor of the State Bank (effective on 1 April 2018); Circular No. 27/2021/TT-NHNN ("Circular 27") amending and supplementing a number of articles of the Accounting Accounts System of credit institutions attached with Decision No. 479/2004/QD-NHNN dated 29 April 2004 ("Decision 479") and the financial reporting regime for credit institutions attached with Decision No. 16/2007/QD-NHNN dated 18 April 2007 ("Decision 16") issued by the SBV.

- Accounting estimates: VietinBank's financial statements (both separate and consolidated) are presented in accordance with Decision No. 16/2007/QD-NHNN dated 18 April 2007 of the Governor of the State Bank of Vietnam on "Promulgation of financial reporting regime for credit institutions", amending and supplementing documents on Decision 16 and Vietnamese Accounting Standards as stated in point 1 of this section.

4. Adoption of new accounting guidance

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

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 of the SBV

On 18 June 2024, the State Bank ("the SBV") issued Circular No. 06/2024/TT-NHNN ("Circular 06") amending and supplementing a number of articles of Circular No. 02/2023/TT-NHNN ("Circular 02") dated 23 April 2023 of the State Bank of Vietnam regulating 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

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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.

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

On 28 June 2024, the SBV 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 L/C, which is effective from 01 July 2024, in which: (i) L/C operations as a form of credit granting through issuance, confirmation, settlement, or reimbursing L/Cs to facilitate trade of goods and services; (ii) Other L/C-related business activities including outright purchase without recourse of documents under L/Cs and other services provided by the Bank outside standard L/C processes. The Bank implements the classification of assets, determines provisioning levels and methods, and use of provisions to handle credit risks of commitments and assets in credit granting for L/C operations, in performing the purchase without recourse of documents under L/Cs, and entrusted L/C issuance.

Circular 21 stipulates that for deferred payment L/Cs containing a provision that the beneficiary is entitled to receive sight payment or advanced payment before the L/C due date (UPAS L/C), when the reimbursing bank pays the beneficiary, the Bank shall record the debt incurred by the customer upon being notified by the reimbursing bank and include such outstanding debt in the total credit balance of the customer.

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

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 of the Government

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 handle risks in the operations of credit institutions, foreign bank branches and cases where credit institutions are required to derecognize interest receivables that had been recorded. Decree 86 takes effect from 11 July 2024, replacing the provisions related to risk provisioning in Circular 11. The Bank bases on Decree 86 to make risk provisions and use provisions to handle risks during the period.

Circular No. 53/2024/TT-NHNN dated 4 December 2024 of the SBV and Decision No. 1510/QD-TTG dated 4 December 2024 of the Prime Minister.

On 4 December 2024, the SBV issued Circular No. 53/2024/TT-NHNN ("Circular 53") regulating the restructuring of debt repayment terms by credit institutions for customers facing difficulties due to the impact and damage caused by Typhoon No. 3, flooding, landslides after Typhoon No. 3; the Prime Minister issued Decision No. 1510/QD-TTG ("Decision 1510") on the classification of assets, risk provisioning levels, risk provisioning methods, and the use of provisions to handle

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risks for the debts of customers facing difficulties due to the impact and damage caused by Typhoon No. 3. Circular 53 and Decision 1510 take effect from 4 December 2024.

5. Consolidation of financial statements:

- The consolidated financial statements incorporate financial statements of VietinBank, seven (07) subsidiary companies and one (01) subsidiary bank as of 31 December 2024. The financial statements of the subsidiaries are prepared for the same reporting period and consistently apply accounting policies in line with those of VietinBank.
- The entities included in the consolidated financial statements are:
 - ❖ VietinBank Leasing Company Limited;
 - ❖ VietinBank Securities Joint Stock Company;
 - ❖ VietinBank Debt and Asset Management Company Limited;
 - ❖ VietinBank Insurance Joint Stock Corporation;
 - ❖ VietinBank Gold and Jewellery Trading Company Limited;
 - ❖ Vietinbank Fund Management Company Limited;
 - ❖ VietinBank Global Money Transfer Company;
 - ❖ VietinBank Lao Limited.

IV. Significant accounting policies adopted in VietinBank

1. 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 operating period of Quarter IV 2024 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 period 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 consolidated 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 value 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 in subsidiaries' net asset value.

2. Business combinations

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

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below the fair values of the identifiable net assets acquired is recognized in the consolidated results of operations for the accounting period in which the acquisition of subsidiaries occurred.

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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.

3. 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 the equity method, 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.

4. Foreign currencies

According to the Bank's accounting system, all transactions of the Bank are recorded in original currencies. At the date of the consolidated financial statements, 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 at the period-end date if the difference between this rate and the weighted average exchange rate of the same day is less than 1%. Otherwise, the Bank uses the weighted average exchange rate ruling at the period-end date for conversion. The Bank's foreign currency incomes and expenses are converted into VND at the exchange rate on the date of the transaction. Foreign exchange rate differences arising from the translation of monetary assets and liabilities from foreign currencies into VND in the period are recognized in the consolidated income statement.

5. 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, 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.

6. Placements with and loans to other credit institutions

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

The credit risk classification for placements with and loans to other credit institutions and the corresponding provisioning shall comply with the provisions of Circular No. 31/2024/TT-NHNN dated 30 June 2024 of the SBV and Decree No. 86/2024/NĐ-CP dated 11 July 2024. Accordingly,

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the Bank makes specific provisions for deposits (except for current accounts and placements with Vietnam Bank for Social Policies in accordance with the regulations of the SBV on maintaining 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 making deposits at overseas credit institutions and loans to other credit institutions in a similar way to those for loans to customers.

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7. Derivatives

7.1. *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 the forward exchange rate and the 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.

7.2. *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 the accrual basis.

8. Loans to customers

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

9. Provision for credit losses

9.1 *Classification of loans in accordance with Circular 31/2024/TT-NHNN dated 30 June 2024*

According to Circular 31, credit institutions are required to implement loan classification applicable to 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;

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- Payment on behalf under off-balance sheet commitments (including payments on behalf of customers' obligations in guarantee activities, letter of credit and other payments under off-balance sheet commitments);
- Amounts for purchase and entrustment to purchase corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on the 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;
- Deposits (except for demand deposits at credit institutions and foreign bank branches; deposits at Vietnam Bank for Social Policies in accordance with 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 demand deposits) at overseas credit institutions;
- Debt sale and purchase according to the State Bank's the regulations, except for the purchase of bad debts of credit institutions, foreign bank branches and asset management companies of Vietnamese credit institutions;
- Repos of Government bonds in the stock market following the law on issuance, registration, depository, listing and trading of the Government debt securities in the stock market;
- Purchase of certificates of deposit issued by other credit institutions or foreign bank branches;
- Issuance of deferred payment L/Cs containing a provision that the beneficiary is entitled to receive sight payment or advanced payment before the L/C due date, and L/C reimbursement in the form of an agreement with the customer to make payment using the reimbursing bank's funds from the date on which the reimbursing bank pays the beneficiary; L/C payment by negotiation;
- Outright purchase without recourse of sets of documents presented under L/Cs, except where a commercial bank or FBB buys outright a set 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 maintain the 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/NĐ-CP dated 09 June 2015 ("Decree 55") on credit policies for agricultural and rural development; Circular 02/2023/TT-NHNN dated 23 April 2023 ("Circular 02") and Circular 06/2024/TT-NHNN dated 18 June 2024 ("Circular 06") of the 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 customers in difficulty and documents of the SBV on debt classification and risk provisioning.

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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 recognized in the following month. Provision for credit losses as at 30 December is recognized in the consolidated income statement for that period.

Classification of debts for off-balance-sheet commitments

The bank classifies guarantees, letter of credit operations (except for cases where assets have been recognized), payment acceptances, irrevocable loan commitments, and other commitments that incur credit risk (collectively referred to as off-balance sheet commitments) into the groups specified in Articles 9, 10, or 11 of Circular 31. Accordingly, off-balance sheet commitments are classified according to the following risk levels: Standard, Special mention, Substandard, Doubtful and Loss.

9.2 Provision for credit losses in accordance with Decree 86/2024/ND-CP dated 11 July 2024***Provision for credit losses***

According to Decree 86, the specific provision on 31 December is calculated by subtracting the discounted value of collateral from the outstanding loan balance multiplied by the specific provision rate based on loan classification result on 31 December. The specific provision rate for each category of loan group is prescribed as follows:

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

The additional specific provision to be made is specified in Circular 02 and Circular 53.

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 02 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.

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 53 và Decision 1510 as follows:

- Up to 31 December 2024: by at least 35% of the specific provision to be additionally made;
- Up to 31 December 2025: by at least 70% of the specific provision to be additionally made
- Up to 31 December 2026: 100% of the specific provision to be additionally made.

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

Write-off bad debts

Provisions are recognized in the consolidated income statement as an expense and used to write off bad debts. In accordance with Decree 86, the Bank must set up Risk Management Committee to write off bad debts if they are classified into Group 5, or if borrowers are either liquidated or bankrupted legal entities or deResigned or missing in riduals.

Classification of off-balance-sheet commitments

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

10. Investment

10.1. Trading securities

Trading securities include debt securities, equity securities and other securities that the Bank and/or its subsidiaries has acquired and held for the purpose of reselling in the short term to gain profit on price variance. 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 are provisioned according to Decree 86 (as described in the summary of significant accounting policies for "Provision for credit losses"). 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".

10.2. Investment securities

Available-for-sale investment securities

Available-for-sale securities include debt and equity securities that are acquired by the Bank and/or its subsidiaries for investment and available-for-sale purposes, not frequently traded but can be sold at any time they are profitable. For equity securities, the Bank and/or its subsidiaries is neither the founding shareholder nor the strategic partner of the investees.

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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 amortization (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 amortized 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 recognized 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 purposes to gain interest and the Bank and/or its subsidiaries has intention and 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 Circular 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".

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10.3. Reclassification

According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, reclassification after the 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 the 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.

10.4. Other long-term investments

Other long-term investments represent the 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.

10.5. 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).

10.6. Recognition

The Bank and/or its subsidiaries recognizes investment securities and other investments at the date when the Bank and/or its subsidiaries 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.

10.7. 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 transfers to the buyer the significant risks and rewards associated with the ownership of these investments.

11. Repurchase and Reverse Repurchase Agreements

Securities sold under agreements to be repurchased at a specific date in the future (repos) are recorded in the consolidated financial statements. The corresponding cash received from these

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agreements is recognized in the consolidated statement of financial position 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.

12. 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 are in compliance with the terms of the signed contracts. The assets that are held under custody services are not considered as assets of the Bank and/or its subsidiaries and therefore, they are not recognized in the consolidated statement of financial position of the Bank.

13. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed asset comprises all the Bank and/or its subsidiaries purchase price plus any directly attributable costs of bringing the asset to working conditions 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 gains or losses resulting from their disposals are recorded in the consolidated income statement.

14. Intangible fixed assets

Intangible assets are stated at cost less accumulated amortization. The cost of an intangible asset comprises all the Bank's and/or its subsidiaries expenditures 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 assets compared to the initial activity level, are capitalized.

Other expenditures related to intangible fixed assets incurred after initial recognition are charged to the consolidated income statement. When intangible assets are sold or disposed, their cost and accumulated amortization are written off and any gains or losses resulting from their disposals are recorded in the consolidated income statement.

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15. 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.

16. Depreciation and amortization

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

17. 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 and other prepaid expenses.

Office rentals represent the office rental 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.

18. 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 of the outstanding receivables or based on the expected loss for the following cases: institutional debtors who have fallen into bankruptcy or have been in the process

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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 period.

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

19. 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 end of the accounting period.

20. Capital and reserves

20.1. Common shares

Common shares are classified as owners' equity.

20.2. 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.

20.3. 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.

20.4. Reserves

The bank makes provisions for funds as a percentage of profit after tax in accordance with Decree 93/2017/NĐ-CP dated 25 July 2017. Accordingly, 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: 5% of profit after tax but not exceeding the Bank's charter capital;
- Financial reserve fund: 10% of profit after tax;
- Bonus fund for the Board of Management, bonus and welfare fund are established in accordance with the decision of the General Shareholders' Meeting;
- Investment and development fund and other reserves: established in accordance with current regulations and the Decisions 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:

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- VietinBank 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 ("Circular 114") 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 114 is used to supplement the charter capital in accordance with the provisions of Law on Securities No. 54/2019/QH14 dated 26 November 2019, 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 114 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/NĐ-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;

21. Revenue and expenses

21.1. Interest and similar income/expenses

Interest income and interest expenses are recognized in the consolidated income statement on the accrual basis. The accrued interest income arising from the loans that are classified from group 2 to group 5 in accordance with Circular 31, accrued interest income on loans restructured and maintained as Standard loan groups (group 1) as prescribed in Circular 02/2023, Circular 06/2024, Circular 53/2024 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 expense interest on securities 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 period and these accruals are recorded as off-balance-sheet items and are only recognized in the consolidated income statement upon actual receipt.

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21.2. 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 the case where the insurance contract is concluded and there is an agreement with the policyholder on paying premiums in installments as per the insurance contract, revenue is recorded for the premium amount corresponding to the installment(s) that have arisen, and revenue is not recorded for premiums that are not yet due as per the agreement in the insurance contract.

The prepaid premium before the due date as at the end of the operating period 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 period 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. Claims that have not been approved as of the end of the financial year are considered unresolved and are recorded for the purpose of provisioning for claims.

The commission expense of each product is calculated at a percentage based on the 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 scope of the treaty agreements are recognized.

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

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 period. At the end of accounting period, the reinsurance commission equivalent to the insurance commission which is not included in premium of the current period corresponding to unearned premium of reinsurance ceded shall be determined and allocated to the subsequent accounting periods based on registered method of unearned premium reserve.

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(ii) Reinsurance assumed

Reinsurance assumed under treaty reinsurance arrangement:

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

Reinsurance assumed under facultative reinsurance arrangement:

- Reinsurance premium assumed is recognized when the facultative reinsurance has been signed and an account statement (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 accounting period, the part of insurance commission which is not included in expense of the period corresponding to unearned premium of reinsurance assumed shall be determined and allocated to the subsequent periods based on registered method for unearned premium reserve.

21.3. Income from service charges and commissions

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

21.4. Income from guarantee and L/C commitment activities

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

21.5. Income from securities trading

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

21.6. 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.

21.7. 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.

21.8. Recognition of uncollectible receivables

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According to Circular No. 16/2018/TT-BTC dated 07 February 2018 ("Circular 16") 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, the Bank records a reduction in revenue if it is within the same financial year or records it as an expense if it is in a different financial year, and tracks it off-balance sheet to ensure 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.

22. 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 period. 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 periods (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 period 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 corporate 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.

23. Employee benefits

23.1. Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank and its subsidiaries in Vietnam by the Social Insurance Agency under the Ministry of Labor - Invalids and Social Affairs. The Bank and its subsidiaries in Vietnam are required to contribute to these post-employment

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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.

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23.2. *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 contract.

23.3. *Unemployment insurance*

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

24. 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);
- 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).

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25. Technical reserves for insurance activities

The technical reserves are calculated in accordance with Circular 67 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 losses that have been reported, the original and reinsurance claim reserves, as well as the ceded reinsurance claim reserves, are established on a case-by-case basis, based on the liability level for the reported incurred losses.

- 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:

Claims reserve for covered losses that have occurred but have not been reported or claimed of the current fiscal year	Total indemnities for losses that have occurred but have not been reported or claimed of last three consecutive fiscal years	Indemnity of current fiscal year	Net revenue earned from insurance business of current fiscal year	Average deferred time of claims of current fiscal year
=		x	x	x
	Total indemnities of last three consecutive fiscal years		Net revenue earned from insurance business of last fiscal year	Average deferred time of claims of last fiscal year

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 No. 19 on Insurance Contracts, losses that have not occurred and do not exist as of the financial statement reporting date (including catastrophe reserves) do not need to be reserved. However, the VietinBank Insurance Joint Stock

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Technical reserve for health insurance

Mathematical reserve

- For health insurance and reinsurance contracts (insurance contracts) with a term of more 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.
- 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 losses that have been reported, the original and reinsurance claim reserves, as well as the ceded reinsurance claim reserves, are established on a case-by-case basis, based on the liability level for the reported incurred losses.

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:

Claims reserve for covered losses that have occurred but have not been reported or claimed of the current fiscal year	Total indemnities for losses that have occurred but have not been reported or claimed of last three consecutive fiscal years	Indemnity of current fiscal year	Net revenue earned from insurance business of current fiscal year	Average deferred time of claims of current fiscal year
=	Total indemnities of last three consecutive fiscal years	x	Net revenue earned from insurance business of last fiscal year	x

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.

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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).

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Equalization reserve

Equalization reserve for health insurance is set up at 1% of retained premium in the period and recognized in catastrophe reserve account on the consolidated financial statement.

26. 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 statement of financial position, 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 statement of financial position; 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..

V. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE STATEMENT OF FINANCIAL POSITION

1. TRADING SECURITIES

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
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
- Foreign debt securities	-	-
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
Provision for trading securities	(192.737)	(188.225)
	2.797.955	2.487.905

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2. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

	<i>Net book value</i>	
	<i>(at exchange rate as at the reporting date)</i>	
	<i>Assets</i> <i>VND million</i>	<i>Liabilities</i> <i>VND million</i>
As at 31/12/2024		
1 - Currency derivative financial instruments	18.075	298.911
- Forward contracts	-	298.911
- Swap contracts	18.075	-
- Futures contracts	-	-
2 - Interest rate derivative financial instruments	-	117.286
As at 31/12/2023		
1 - Currency derivative financial instruments	-	467.558
- Forward contracts	-	347.868
- Swap contracts	-	119.690
2 - Interest rate derivative financial instruments	-	88.388

3. LOANS TO CUSTOMERS

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Loans to domestic economic entities and individuals	1.703.097.921	1.455.033.463
Dicouted promissory notes and valuable papers	1.745.674	1.729.508
Finance leases	4.639.031	5.397.349
Payments made on behalf of customers	304.240	226.988
Loans by grants, investment trusts	1.752.217	1.796.376
Loans to foreign organizations and individuals	9.358.966	9.160.880
Loans directed by the Goverment	1.056.665	-
	1.721.954.714	1.473.344.564

3.1 Analysis of loan portfolio by quality

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Standard loans	1.677.744.671	1.433.907.162
Special mention loans	22.737.035	22.829.070
Sub-standard loans	2.817.030	2.508.483
Doubtful loans	4.824.119	4.721.294
Loss loans	13.831.859	9.378.555
	1.721.954.714	1.473.344.564

3.2 Analysis of loans portfolio by original term

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	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Short-term loans	1.137.144.961	961.733.146
Medium - term loans	99.036.675	86.853.938
Long-term loans	485.773.078	424.757.480
	1.721.954.714	1.473.344.564

4. MOVEMENTS (INCREASE/DECREASE) IN PROVISIONS FOR CREDIT LOSSES ON LOANS TO CUSTOMERS

Movements in provisions for credit losses on loans to customers during the period are as follows:

	<i>General provision</i>	<i>Specific provision</i>	<i>Total</i>
<u>Current year</u>			
<i>Opening balance (01/01/2024)</i>	10.953.175	16.819.746	27.772.921
Provision made for the period	1.829.256	25.769.144	27.598.400
Provision used to write off bad debts for the period	-	(18.707.196)	(18.707.196)
Other adjustments	-	-	-
<i>Closing balance (31/12/2024)</i>	12.782.431	23.881.694	36.664.125

Movements in provisions for credit losses on loans to customers during the previous period are as follows:

	<i>General provision</i>	<i>Specific provision</i>	<i>Total</i>
<u>Prior year</u>			
<i>Opening balance (01/01/2023) - Restated</i>	9.423.152	19.990.078	29.413.230
Provision made for the period	1.530.023	23.585.118	25.115.141
Provision used to write off bad debts for the period	-	(26.755.450)	(26.755.450)
Other adjustments	-	-	-
<i>Closing balance (31/12/2023)</i>	10.953.175	16.819.746	27.772.921

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5. INVESTMENT SECURITIES

	31 December 2024 VND million	31 December 2023 VND million
Available -for - sale investment securities	188.424.361	180.456.206
Debt securities	188.180.862	180.218.858
- Government bonds	80.284.569	75.593.879
- 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
Provision for impairment of available -for-sale investment securities	(133.116)	(139.267)
Including: - Provision for impairment	-	(5.494)
- General provision	(21.262)	(28.397)
- Specific provision	(111.854)	(105.376)
Held-to-maturity investment securities	26.183.712	754.325
Debt securities	26.635.861	864.999
- Government bonds	61.248	400.000
- Debt securities issued by other domestic credit institutions	26.000.000	-
- Debt securities issued by domestic economic entities	574.613	464.999
Provision for impairment of held-to-maturity investment securities	(452.149)	(110.674)
Including: - Provisions for impairment	-	-
- General provision	-	(3.487)
- Specific provision	(452.149)	(107.187)
	214.608.073	181.210.531

6. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS

	31 December 2024 VND million	31 December 2023 VND million
Investments in joint ventures	3.706.673	3.206.452
Other long-term investments	234.462	234.462
Provisions for impairment of long-term investments	(7.291)	(14.431)
	3.933.844	3.426.483

Investment in joint venture at the end of the period are as follows:

	31 December 2024				31 December 2023			
	Cost equivalent (USD)	Original cost converted to VND million	Net value of investment using equity method VND million	Proportion of ownership interest	Cost equivalent (USD)	Original cost converted to VND million	Net value of investment using equity method VND million	Proportion of ownership interest
Indovina Bank Ltd	96.500.000	1.688.788	3.706.673	50%	96.500.000	1.688.788	3.206.452	50%
		1.688.788	3.706.673			1.688.788	3.206.452	

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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 dated 29 October 1992) for the duration of 99 years with the charter capital of USD 193,000,000.

7. BORROWINGS FROM THE GOVERNMENT AND the SBV

	<i>31 December 2024</i> triệu đồng	<i>31 December 2023</i> triệu đồng
Borrowings from the SBV	9.512.869	766.887
Loans under credit contracts	488.053	759.929
Discounted loans on valuable papers	9.017.858	-
Borrowings for grant to State-owned enterprises	6.958	6.958
Current accounts held by the State Treasury	144.771.235	21.047.218
<i>In VND</i>	<i>144.771.235</i>	<i>21.047.218</i>
	154.284.104	21.814.105

8. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	<i>31 December 2024</i> VND million	<i>31 December 2023</i> VND million
Deposits from other credit institutions		
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
Borrowings from other credit institutions	22.615.028	44.428.975
- In VND	18.865.231	16.008.172
<i>In which: Discounting, rediscounting borrowings</i>	11.184.500	877.824
- In foreign currencies	3.749.797	28.420.803
	276.134.655	304.321.721

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9. DEPOSITS FROM CUSTOMERS

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Demand deposits	383.111.660	310.918.934
- Demand deposits in VND	320.930.791	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
	1.606.144.703	1.410.899.038

10. VALUABLE PAPERS ISSUES

Unit: VND Million

Type of valuable papers	Bill	Bearer bonds	Book-entry bonds	Certificate of deposits	Total
Term under 12 months					
<i>Par value</i>	153	-	-	96.457.274	96.457.427
<i>Discount</i>	-	-	-	-	-
<i>Premium</i>	-	-	-	-	-
Term from 12 months to under 5 years					
<i>Par value</i>	-	166	-	8.043.397	8.043.563
<i>Discount</i>	-	-	-	-	-
<i>Premium</i>	-	-	-	-	-
Term over 5 years					
<i>Par value</i>	-	-	47.177.020	-	47.177.020
<i>Discount</i>	-	-	-	-	-
<i>Premium</i>	-	-	80	-	80
Total	153	166	47.177.100	104.500.671	151.678.090

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11. OTHER PAYABLES AND LIABILITIES

	<i>31 December 2024</i>	<i>31 December 2023</i>
	<i>VND million</i>	<i>VND million</i>
Interest and fees payable	21.025.954	27.999.187
Deferred corporate income tax payable	-	171
Payables:	18.476.700	19.238.931
<i>Internal payables</i>	3.869.540	3.723.716
<i>External payables</i>	14.607.160	15.515.215
Other risk provisions:	2.763.419	1.401.244
- <i>Other risk provisions (operational risk provisions, etc., excluding other provisions for on-balance sheet assets)</i>	2.763.419	1.401.244
Bonus and welfare fund	2.353.698	2.897.937
	44.619.771	51.537.470

12. THE BANK'S OBLIGATIONS TO THE STATE BUDGET

	<i>Opening balance</i>	<i>Movement in the period</i>		<i>Closing balance</i>		
		<i>Payable</i>	<i>Paid</i>	<i>Payable</i>	<i>Receivable</i>	<i>Total</i>
	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>	<i>VND million</i>
Value added tax	373.943	1.276.229	1.551.245	104.946	(6.019)	98.927
Corporate income tax	3.118.781	6.222.109	6.006.343	3.335.448	(901)	3.334.547
Other taxes	94.296	1.480.618	1.416.038	158.876	-	158.876
	3.587.020	8.978.956	8.973.626	3.599.270	(6.920)	3.592.350

The bank is obligated to pay corporate income tax at a rate of 20% on total taxable profits. The bank's tax reports are subject to examination by tax authorities. Due to the application of laws and tax regulations to various types of transactions that can be interpreted in different ways, the tax amounts presented in the financial statements may be subject to change based on the final decision of the tax authorities.

Current Corporate Income Tax

Current corporate income tax payable is determined based on the taxable income of the current year. Taxable income differs from the income reported in the consolidated income statement because taxable income does not include income items that are taxable or deductible in different years due to differences between the bank's accounting policies and current tax regulations, and also does not include items that are non-taxable or non-deductible for tax purposes. The bank's current corporate income tax payable is calculated at the tax rates enacted by the end of the financial year.

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13. CAPITAL AND RESERVES

13.1 Movements in owner's equity

Unit: VND Million

	Opening balance	Movement in the period		Closing balance
		Increase	Decrease	
1. Contributed capital/charter capital	53.699.917	-	-	53.699.917
2. Share Premium	8.974.677	-	-	8.974.677
3. Treasury shares	-	-	-	-
4. Revaluation surplus	-	-	-	-
5. Foreign exchange differences	86.970	156.135	-	243.105
6. Investment and development fund	93.558	29.819	-	123.377
7. Financial reserve fund	12.588.838	2.445.721	-	15.034.559
8. Charter capital supplementary reserve fund	6.361.179	1.222.409	-	7.583.588
9. Other equity funds	-	-	-	-
10. Retained earnings	42.369.429	25.341.514	5.305.305	62.405.638
11. Non-controlling interests	861.220	133.495	24.843	969.872
12. Other capital	836.032	73.373	-	909.405
	125.871.820	29.402.466	5.330.148	149.944.138

The indicators for the Investment and Development fund, Financial reserve fund, and Charter capital supplementary reserve fund: Increase/decrease due to fund appropriations during the period, and foreign exchange differences in financial statement conversion.

The indicator for Retained Earnings: Increase from after-tax profit during the period; Decrease due to fund appropriations during the period, additional VAT payment for L/C activities of previous years according to Official Letter No. 5366/TCT-DNL of the General Department of Taxation dated November 30, 2023, and other downward adjustments.

The indicator for Non-controlling Interests: Increase from after-tax profit of subsidiaries, and the sale of treasury shares by the Securities Company; Decrease due to fund appropriations of subsidiaries during the period.

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Details of the Bank's shares:

	<i>31/12/2024</i> <i>VND Million</i>	<i>31/12/2023</i> <i>VND Million</i>
Number of registered shares for issue	5.369.991.748	5.369.991.748
Number of shares sold to the public during the period	5.369.991.748	5.369.991.748
- <i>Ordinary shares</i>	5.369.991.748	5.369.991.748
- <i>Preferred shares</i>	-	-
Number of shares repurchased	-	-
- <i>Ordinary shares</i>	-	-
- <i>Preferred shares</i>	-	-
Number of shares outstanding	5.369.991.748	5.369.991.748
- <i>Ordinary shares</i>	5.369.991.748	5.369.991.748
- <i>Preferred shares</i>	-	-
Par value of share in circulation (VND)	10.000	10.000

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE INCOME STATEMENT

14. INTEREST AND SIMILAR INCOME

	<i>Financial period</i> <i>from 01/01/2024 to</i> <i>31/12/2024</i> <i>VND Million</i>	<i>Financial period</i> <i>from 01/01/2023 to</i> <i>31/12/2023</i> <i>VND Million</i>
Interest from deposits	5.897.711	4.198.071
Interest from loans to customers	107.956.762	117.727.919
Interest from debt securities:	7.116.454	8.028.531
- <i>Interest income from trading securities</i>	27.080	45.583
- <i>Interest income from investment securities</i>	7.089.374	7.982.948
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
	124.449.608	132.671.737

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15. INTEREST AND SIMILAR EXPENSES

	<i>Financial period from 01/01/2024 to 31/12/2024</i>	<i>Financial period from 01/01/2023 to 31/12/2023</i>
	<i>VND Million</i>	<i>VND Million</i>
Interest expenses on deposits	52,868,898	68,832,836
Interest expenses on borrowings	2,477,780	3,377,151
Interest expenses on valuable papers issued	6,493,137	6,731,245
Expenses on other credit activities	207,000	773,027
	62,046,815	79,714,259

16. NET GAIN/(LOSS) FROM TRADING SECURITIES

	<i>Financial period from 01/01/2024 to 31/12/2024</i>	<i>Financial period from 01/01/2023 to 31/12/2023</i>
	<i>VND Million</i>	<i>VND Million</i>
Income from trading securities	125,761	275,667
Expenses on trading securities	(30,339)	(11,600)
Provision resersed for impairment of trading securities	(2,679)	28,559
Net gain from trading securities	92,743	292,626

17. NET (LOSS)/GAIN FROM INVESTMENT SECURITIES

	<i>Financial period from 01/01/2024 to 31/12/2024</i>	<i>Financial period from 01/01/2023 to 31/12/2023</i>
	<i>VND Million</i>	<i>VND Million</i>
Income from trading investment securities	6,811	29,258
Expenses on trading investment securities	(2,360)	(2,396)
securities	(337,157)	(180,983)
Net loss/gain from trading investment securities	(332,706)	(154,121)

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18. INCOME FROM CAPITAL CONTRIBUTION, EQUITY INVESTMENTS

	<i>Financial period from 01/01/2024 to 31/12/2024</i>	<i>Financial period from 01/01/2023 to 31/12/2023</i>
	<i>VND Million</i>	<i>VND Million</i>
From equity investment securities	13.284	31.436
From capital contribution and long-term investments	7.255	60.901
Share from net profit/loss under the method of equity investment in Joint ventures	370.109	194.931
	390.648	287.268

19. OPERATING EXPENSES

	<i>Financial period from 01/01/2024 to 31/12/2024</i>	<i>Financial period from 01/01/2023 to 31/12/2023</i>
	<i>VND Million</i>	<i>VND Million</i>
Taxes, fees and charges	32.576	24.877
Staff cost:	12.992.455	11.636.246
In which:		
- <i>Salaries and allowances</i>	10.925.550	9.977.295
- <i>Salary-based expenses</i>	860.771	612.665
- <i>Other allowance</i>	4.432	2.732
- <i>Other expenses</i>	1.201.702	1.043.554
Expenses for fixed assets	2.862.498	2.715.410
- <i>Depreciation and amortisation expenses</i>	1.017.405	999.288
- <i>Others</i>	1.845.093	1.716.122
Expenses for operating management	5.115.419	4.909.040
In which:		
- <i>Per diems</i>	222.973	216.960
- <i>Expenses for union activities</i>	12.233	25.821
- <i>Others</i>	4.880.213	4.666.259
Insurance premium for customer's desposits	1.121.094	985.905
Other provision expenses	427.692	172.021
	22.551.734	20.443.499

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VII. OTHER INFORMATION

20. 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:

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Cash and cash equivalents	11.147.549	9.759.580
Balances with the 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 of maturity term not exceeding 3 months from the date of purchase	61.248	202.739
	373.319.556	272.303.607

21. OTHER OFF-BALANCE SHEET ACTIVITIES WHERE BANK BEARS SIGNIFICANT RISKS (MATERIAL)

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
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	866.545.127	794.940.617
Foreign exchange transaction commitments	803.727.044	726.235.823
Other commitments	62.818.083	68.704.794
	1.056.797.745	961.914.440

22. RELATED PARTY TRANSACTIONS AND BALANCES

Details of significant transactions with related parties during the period are as follows:

Related parties	Relationship	Transactions	From 01/01/ to 31/12/2024	From 1/1/2023 to 31/12/2023
			VND Million	VND Million
The State Bank of Vietnam	Direct owner and management agency	Decrease in deposits at the SBV Increase in loans from the SBV	(6.165.402)	10.869.949
Indovina Bank Limited	Joint venture	Deposit interest income Deposit interest expense Dividends	8.745.982 43.538 50.165 -	(969.742) 23.886 54 359.634
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Deposit interest income Deposit interest expense Loan interest expense	486 10.660 12.326	79 2.421 184.044

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Details of significant balances with related parties as at reporting date are as follows:

Related parties	Relationship	Transactions	Receivables/Payables	
			31/12/2024 VND Million	31/12/2023 VND Million
The State Bank of Vietnam	Direct owner and management agency	Deposits of the bank at the SBV	34.431.657	40.597.059
		Loans from the SBV	(9.512.869)	(766.887)
Indovina Bank Limited	Joint venture	Deposits of the Bank at related parties	14.150.662	483
		Deposits of related parties at the Bank	(10.733.469)	(22.098)
		Interest receivable	27.735	-
		Interest payable	(29.394)	-
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Deposits of the Bank at related parties	37.680.280	196.921
		Deposits of the related party at Bank	(9.484)	(180.918)
		Loans of the Bank from the related parties	-	(714.098)
		Interest receivable	193	0
		Interest payable	-	(3.051)

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

	Total loan balance VND Million	Total deposits VND Million	Credit commitments VND Million	Derivative financial instruments	Trading investment in securities
				(Difference between debit-credit)	(Difference between debit-credit)
				VND Million	VND Million
Domestic	1.720.640.114	1.998.643.426	189.951.212	(398.121)	218.122.782
Oversea	9.267.447	5.792.139	301.406	-	61.248
	1.729.907.561	2.004.435.565	190.252.618	(398.121)	218.184.030

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24. EXPLANATION FOR THE FLUCTUATION OF PROFIT

The consolidated profit after corporate income tax of VietinBank in Q4/2024 increased by 3.816 billion VND (equivalent to 63 %) compared to the same period in 2023, primarily due to an increase in profit before tax of 4.657 billion VND (equivalent to 61%) over the same period, specifically:

Major fluctuation items	Impact	
	Absolute billion VND	Relative %
Increase in net interest income	1.866	24%
Increase in net other operating income	1.036	14%
Decrease in provision expenses for credit losses	2.008	26%
Total	4.910	64%

Detailed reasons

Increase in net interest income: mainly due to efforts for further expansion (outstanding loans as of 31/12/2024 grew nearly 17% compared to the same period). Leveraging its role as a leading commercial bank in capital supply for the economy, the Bank continued to implement credit packages and preferential interest rate programs to support individuals and businesses, effectively balancing capital, promoting CASA growth and short-term funding to optimize capital mobilization costs.

Decrease in provision expenses for credit losses: The Bank has proactively identified risks early and classified loan appropriately based on customers' risk levels, while adequately made provision for credit risks in compliance with the State Bank of Vietnam (the SBV) regulations. Additionally, the Bank strengthened its risk provision buffer, especially after Yagi Typhoon in September 2024, to prepare for potential economic risks. Therefore, provision expenses for credit losses in 2024 increased by 2.484 billion VND compared to 2023.

Increase in net other operating income: mainly because the Bank continues to focus resources on, flexibly and synchronously implement measures to quickly process and recover bad debts throughout the system.

VIII. FINANCIAL RISK MANAGEMENT

25. 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 reseaning and applying international practices to its governance. In particular, the Bank met requirements of the SBV in accordance with Basel II with the standards of risk management, capital management, proving information, and has focused on internal and enhancing calculation method 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 risk related to financial instruments, 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 SBV and the regulatory authorities; which has gradually met requirements for risk management.

The Bank's financial instruments are detailed in the table below:

CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	<i>Carrying value</i>						<i>Fair value</i> VND Million
	<i>Fair value through profit or loss</i> VND Million	<i>Held-to- maturity</i> VND Million	<i>Loans and receivables</i> VND Million	<i>Available for sale</i> VND Million	<i>Other Assets and liabilities measured at amortized cost</i> VND Million	<i>Total carrying value</i> VND Million	
Cash, gold, silver and gemstones	11.147.549	-	-	-	-	11.147.549	11.147.549
Balances with the SBV	34.431.657	-	-	-	-	34.431.657	34.431.657
Placement with and loans to other CIs	-	-	378.482.885	-	-	378.482.885	(*)
Trading securities	2.990.692	-	-	-	-	2.990.692	(*)
Derivatives and other financial assets	-	-	-	-	-	-	(*)
Loans to customers	-	-	1.721.954.714	-	-	1.721.954.714	(*)
Available-for-sale investment securities	-	-	-	188.557.477	-	188.557.477	(*)
Held-to-maturity investment securities	-	26.635.861	-	-	-	26.635.861	(*)
Other long-term investments	-	-	-	234.462	-	234.462	(*)
Other financial assets	-	-	44.789.215	-	-	44.789.215	(*)
	48.569.898	26.635.861	2.145.226.814	188.791.939		2.409.224.512	
Borrowings from the Government and the SBV	-	-	-	-	154.284.104	154.284.104	(*)
Deposits and borrowings from other CIs	-	-	-	-	276.134.655	276.134.655	(*)
Deposits from customers	-	-	-	-	1.606.144.703	1.606.144.703	(*)
Derivatives and other financial liabilities	398.121	-	-	-	-	398.121	(*)
Grants, trusted funds and borrowings where the bank bear risks	-	-	-	-	2.179.950	2.179.950	(*)
Valuable papers issued	-	-	-	-	151.678.090	151.678.090	(*)
Other financial liabilities	-	-	-	-	38.257.082	38.257.082	(*)
	398.121	-	-	-	2.228.678.584	2.229.076.705	

(*) The bank has not assessed the fair value of these financial assets and financial liabilities as of the reporting date because Vietnamese Accounting Standards and current regulations have not yet provided specific guidance on determining the fair value of financial assets and financial liabilities.

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25.1. 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, gold and gemstones; balances with the SBV; fixed assets; capital contribution, long-term investments are classified as non-interest-bearing items;
- ▶ The effective interest rate re-pricing term of trading securities is calculated on the basis of the effective interest rate re-pricing term specified in contracts/agreements or in accordance with regulations on expected holding period of the bank, depending on whichever comes earlier;
- ▶ The effective interest rate re-pricing term of placements with and loans to other credit institutions; 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.

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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 as well as the efficiency. 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 budgeted profit 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.

Interest rate risk management at the portfolio level

- ▶ 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 assets 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.

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- Management through the Fund Transfer Pricing (FTP) tool: the Bank has completed and continuously improves the internal Fund Transfer Pricing system (FTP), which has enhanced the Bank's centralized management of capital and interest rate. Depending on the Bank's business orientation and the market movements, the Head Office can adjust FTP for each type of customers or products, etc., giving financial signals for the business units to determine their lending/capital mobilization rates applicable to each transaction.

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INTEREST RATE RISK AS AT DECEMBER 31, 2024

Unit: VND Million

	Non interest bearing	Overdue				Current				Over 05 years	Total
		Over 03 months	Up to 03 months	Up to 01 months	From 01 to 03 months	From 03 to 06 months	From 06 to 12 months	From 01 to 05 years			
Assets											
Cash, gold, silver and gemstones	11.147.549	-	-	-	-	-	-	-	-	-	11.147.549
Balances with the SBV	34.431.657	-	-	-	-	-	-	-	-	-	34.431.657
Placements with and loans to other CIs	-	-	-	322.223.021	28.393.617	25.357.398	2.508.849	-	-	-	378.482.885
Trading securities (*)	-	-	-	2.990.692	-	-	-	-	-	-	2.990.692
Derivatives and other financial assets	-	-	-	-	-	-	-	-	-	-	-
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	393.873	-	6.262.812	21.105.707	30.601.219	59.216.669	29.072.686	64.588.238	215.193.338	
Capital contributions, long-term investments (*)	3.941.135	-	-	-	-	-	-	-	-	-	3.941.135
Fixed assets	10.002.157	-	-	-	-	-	-	-	-	-	10.002.157
Other assets (*)	43.516.650	106.441	-	608.940	391.650	131.050	40.533	-	-	-	44.795.264
Total assets	107.100.283	21.973.322	22.737.035	747.560.098	526.272.729	596.066.449	220.832.619	114.155.676	66.241.180	2.422.939.391	
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 CIs	-	-	-	270.702.282	2.635.678	2.757.955	38.740	-	-	-	276.134.655
Gold and deposits from customers	-	-	-	719.361.856	323.821.302	245.477.673	262.118.899	55.224.356	140.617	1.606.144.703	
Derivatives 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	44.619.771	-	-	-	-	-	-	-	-	-	44.619.771
Total liabilities	44.619.771	-	-	1.087.995.540	390.095.325	276.897.930	367.520.655	59.574.556	8.735.617	2.235.439.394	
Balance sheet net interest gap	62.480.512	21.973.322	22.737.035	(340.435.442)	136.177.404	319.168.519	(146.688.036)	54.581.120	57.505.563	187.499.997	

(*) Excluding provision

25.2. Liquidity risk management policy disclosure

Liquidity risk is defined as the risk that the Bank has difficulties in meeting obligations associated with its financial liabilities; or when the Bank has to mobilize funds at a higher cost compared to the average market cost to meet its payment obligations in line with the Bank's internal rules.

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 regular ALCO Committee, 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 high 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.

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, gold, silver and gemstones and balances with the SBV are classified into maturity up to one month;
- ▶ The maturity of placements and balances 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 risks: is determined based on the terms and conditions on the contracts.

- ▶ 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 of customers' deposit is calculated on the basis of customers behaviours and forecasts about the changes in interest rates and other macro-economic factors ;
- ▶ 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 date of fixed assets is classified as over five (05) years .

Based on the Board of Management's approval of the annual business plan, the Asset & Liability Management Department in cooperation with 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 in cooperation with the Treasury Dealing Department manage the secondary reserve through the purchase of highly liquid valuable papers, which could be converted into cash on the secondary market. The Asset & Liability Management Department together 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 the SBV's regulations, the Asset & Liability 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 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.

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LIQUIDITY RISK AS AT 31 DECEMBER 2024

Unit: VND Million

	Overdue		Current					Total
	Over 03 months	Up to 03 months	Up to 01 month	From 01 to 03 months	From 03 to 12 months	From 01 to 05 years	Over 05 years	
Assets								
Cash, gold, silver and gemstones	-	-	11.147.549	-	-	-	-	11.147.549
Balances with the SBV	-	-	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
Derivatives and other financial assets	-	-	-	-	-	-	-	-
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 (*)	386.778	-	10.222.040	21.105.707	89.817.889	29.072.686	64.588.238	215.193.338
Capital contributions, long-term investments	-	-	-	-	-	-	3.941.135	3.941.135
Fixed assets	-	-	-	-	-	-	10.002.157	10.002.157
Other assets (*)	106.441	-	4.640.239	11.846.267	10.599.329	1.671.780	15.931.208	44.795.264
Total assets	21.966.227	22.737.035	485.215.750	482.331.536	791.251.449	241.559.335	377.878.059	2.422.939.391
Liabilities								
Borrowings from the Government and the SBV	-	-	96.401.051	57.395.000	488.053	-	-	154.284.104
Deposits and borrowings from other Cls	-	-	270.702.281	2.635.678	2.796.696	-	-	276.134.655
Gold and deposits from customers	-	-	198.091.620	329.707.693	667.308.495	410.874.426	162.469	1.606.144.703
Derivatives 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	-	-	20.295.699	14.860.483	7.846.864	1.616.725	-	44.619.771
Total liabilities	-	-	589.032.938	406.017.161	778.777.815	412.995.186	48.616.294	2.235.439.394
Balance sheet net liquidity gap	21.966.227	22.737.035	(103.817.188)	76.314.375	12.473.634	(171.435.851)	329.261.765	187.499.997

(*) Excluding provision

25.3. 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-equity 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 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 portion in USD, EUR, and other foreign currencies. According to the business plan of each period, the Bank has a currency position in its capital trading activities when conducting financial transactions in the market. The Bank sets position limits for USD and other foreign currencies converted to USD based on the Bank's internal risk appetite and relevant regulatory authorities' regulations. The Treasury Department at the Head Office centrally manages the foreign currency position at the Head Office.

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.

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CURRENCY RISK AS AT 31 DECEMBER 2024

	EUR equivalent	USD equivalent	VND	Other currencies equivalent	Gold equivalent	Unit: VND Total
Assets						
Cash, gold, silver and gemstones	255.481	1.098.528	9.605.071	22.581	147.436	11.129.097
Balances with the SBV	6.475	9.309.232	25.115.950	-	-	34.431.657
Placement with and loans to other credit institutions (*)	1.256.788	83.865.260	192.001.584	-	101.359.253	378.482.885
Trading securities (*)	-	-	2.990.692	-	-	2.990.692
Derivatives and other financial assets (*)	-	-	67.350.434	-	-	67.350.434
Loans to customers(*)	1.484.899	79.500.801	1.637.429.426	-	3.539.588	1.721.954.714
Investment securities (*)	-	-	215.132.090	-	61.248	215.193.338
Capital Contributions and long-term investments	-	-	3.941.135	-	-	3.941.135
Fixed assets and real estate for investment	30.487	-	9.888.536	-	83.134	10.002.157
Other assets (*)	1.514.792	472.210	42.668.660	-	139.602	44.795.264
Total assets	4.548.922	174.246.031	2.206.123.578	22.581	105.330.261	2.490.271.373
Liabilities and Equities						
Borrowings from the Governmet and the SBV	-	-	154.284.104	-	-	154.284.104
Deposits and borrowings from other Cls	249.890	25.918.821	175.581.502	-	74.384.442	276.134.655
Deposits from customers	2.571.987	97.604.314	1.502.360.058	-	3.608.344	1.606.144.703
Derivatives 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	402.575	-	100.447	2.179.950
Valuable papers issued	-	71	151.678.019	-	-	151.678.090
Other liabilities	951.598	711.209	42.728.716	-	228.248	44.619.771
Equity and reserves	-	-	149.944.138	-	-	149.944.138
Total liabilites and equities	4.321.550	167.497.110	2.176.979.112	22.581	103.936.194	2.452.733.966
Banlance sheet currency position	227.372	6.748.921	29.144.466	22.581	1.394.067	37.537.407
Off-balance sheet currency position	(17.875)	(5.915.889)	(6.786.930)	-	(1.811)	(12.722.505)
Balance/Off-balance sheet currency position	209.497	833.032	22.357.536	22.581	1.392.256	24.814.902

() Excluding provision*

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EXCHANGE RATES OF CERTAIN FOREIGN CURRENCIES AT THE END OF THE PERIOD

	31/12/2024 VND	31/12/2023 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	*

(*) XAU: Not incurred as at 31/12/2023

Hanoi, 24 January 2025

Prepared by



Tran Thi Thu Huong

Chief Accountant



Nguyen Hai Hung

General Director



Nguyen Tran Manh Trung