



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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE

108 Tran Hung Dao, Hoan Kiem

Ha Noi, S.R. Vietnam

TABLE OF CONTENTS

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

100
C
KIE
DE
VII
NG

Vietnam Joint Stock Commercial Bank for Industry and Trade

108 Tran Hung Dao, Hoan Kiem
Ha Noi, S.R. Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Vietnam Joint Stock Commercial Bank for Industry and Trade (the "Bank") presents this report together with the Bank's consolidated financial statements for the year ended 31 December 2023.

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

Board of Directors

Mr. Tran Minh Binh	Chairman
Mr. Nguyen Duc Thanh	Member
Ms. Nguyen Thi Bac	Independent Member
Ms. Tran Thu Huyen	Member
Mr. Nguyen The Huan	Member
Ms. Pham Thi Thanh Hoai	Member
Mr. Tran Van Tan	Member
Mr. Le Thanh Tung	Member
Mr. Masahige Nakazono	Member
Mr. Koji Iriguchi	Member (appointed on 02 June 2023)
Mr. Masahiko Oki	Member (resigned on 02 June 2023)

Board of Supervisors

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

Board of Management and Chief Accountant

Mr. Do Thanh Son	Deputy General Director in charge of the Board of Management (from 01 September 2023)
Mr. Nguyen Hoang Dung	Deputy General Director in charge of the Board of Management (until 01 September 2023 and resigned on 01 September 2023)
Mr. Nguyen Tran Manh Trung	Deputy General Director
Mr. Le Duy Hai	Deputy General Director
Mr. Hoang Ngoc Phuong	Deputy General Director (resigned on 28 March 2024)
Mr. Tran Cong Quynh Lan	Deputy General Director
Mr. Nguyen Dinh Vinh	Deputy General Director
Ms. Le Nhu Hoa	Deputy General Director
Mr. Koji Iriguchi	Deputy General Director (appointed on 02 June 2023)
Mr. Masahiko Oki	Deputy General Director (resigned on 02 June 2023)
Mr. Nguyen Hai Hung	Chief Accountant

Authorized person for signing financial statements

Mr. Nguyen Tran Manh Trung	Deputy General Director (According to Authorization letter No.699/UQ-HDQT-NHCT18 of the Chairman on 01 June 2022)
----------------------------	----------------------------------------------------------------------------------------------------------------------

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Bank is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Bank as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of Management is required to:

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

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

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

For and on behalf of the Board of Management,



Nguyen Tran Manh Trung
Deputy General Director

Hanoi, 29 March 2024

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Vietnam Joint Stock Commercial Bank for Industry and Trade (the "Bank"), prepared on 29 March 2024 as set out from page 05 to page 67, which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to consolidated financial reporting.



Khuc Thi Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

29 March 2024
Hanoi, S.R. Viet Nam

Mai Thi Thuy Loan
Auditor
Audit Practising Registration Certificate
No. 3837-2021-001-1

100%
H&L
DELOITTE

VIETNAM JOINT STOCK COMMERCIAL BANK FOR

INDUSTRY AND TRADE

108 Tran Hung Dao, Hoan Kiem
Hanoi, S.R Vietnam

FORM B02/TCTD-HN

Issued under Circular No. 49/2014/TT-NHNN
dated 31 December 2014 of the SBV

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Unit: VND Million

NO.	ITEMS	Notes	Closing balance	Opening balance (Restated)
A.	ASSETS			
I.	Cash, gold and gemstone	5	9,759,580	11,066,956
II.	Balances with the State Bank of Vietnam ("SBV")	6	40,597,059	29,727,110
III.	Placements with and loans to other credit institutions	7	279,841,639	242,431,953
1.	Placements with other credit institutions		259,230,017	222,454,660
2.	Loans to other credit institutions		20,611,622	19,977,293
IV.	Trading securities	8	2,487,905	1,406,183
1.	Trading securities		2,676,130	1,622,967
2.	Provisions for impairment of trading securities		(188,225)	(216,784)
V.	Derivative financial instruments and other financial assets	9	-	3,058,727
VI.	Loans to customers		1,445,571,643	1,245,430,464
1.	Loans to customers	10	1,473,344,564	1,274,843,694
2.	Provisions for credit losses of loans to customers	11	(27,772,921)	(29,413,230)
VII.	Investment securities	12	181,210,531	180,312,848
1.	Available-for-sale investment securities	12.1	180,595,473	178,685,028
2.	Held-to-maturity investment securities	12.2	864,999	1,696,778
3.	Provisions for impairment of investment securities		(249,941)	(68,958)
VIII.	Capital contribution, long-term investments	13	3,426,483	3,519,441
1.	Investments in joint-ventures	13.1	3,206,452	3,303,160
2.	Other long-term investments		234,462	234,462
3.	Provisions for impairment of long-term investments		(14,431)	(18,181)
IX.	Fixed assets		10,125,534	10,203,357
1.	Tangible fixed assets	14	6,133,262	6,047,853
a.	<i>Cost</i>		16,641,464	16,191,223
b.	<i>Accumulated depreciation</i>		(10,508,202)	(10,143,370)
2.	Intangible assets	15	3,992,272	4,155,504
a.	<i>Cost</i>		6,804,407	6,779,297
b.	<i>Accumulated amortisation</i>		(2,812,135)	(2,623,793)
X.	Other assets	16	59,593,232	81,653,829
1.	Other receivables	16.1	41,454,754	65,993,812
2.	Interest and fee receivables		14,761,581	12,399,295
3.	Other assets	16.2	3,483,594	3,322,348
4.	Provisions for impairment of other balance sheet assets	16.3	(106,697)	(61,626)
TOTAL ASSETS			2,032,613,606	1,808,810,868

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2023

Unit: VND Million

NO. ITEMS	Notes	Closing balance	Opening balance (Restated)
B. LIABILITIES AND OWNERS' EQUITY			
I. Borrowings from the Government and the SBV	17	21,814,105	104,779,302
1. Deposits and borrowings from the Government and the SBV		21,814,105	104,779,302
II. Deposits and borrowings from other credit institutions	18	304,321,721	209,429,843
1. Deposits from other credit institutions	18.1	259,892,746	139,932,528
2. Borrowings from other credit institutions	18.2	44,428,975	69,497,315
III. Deposits from customers	19	1,410,899,038	1,249,176,034
IV. Derivative financial instruments and other financial liabilities	9	555,946	-
V. Grants, trusted funds and borrowings where the Bank bears risks	20	2,237,779	2,392,201
VI. Valuable papers issued	21	115,375,727	91,370,419
VII. Other liabilities		51,537,470	43,346,761
1. Accrued fee and interest expenses		27,999,187	21,587,660
2. Deferred tax liabilities		171	112
3. Other payables and liabilities	22	22,136,868	20,720,199
4. Other provisions		1,401,244	1,038,790
TOTAL LIABILITIES		1,906,741,786	1,700,494,560
VIII. Capital and reserves	24	125,871,820	108,316,308
1. Contributed capital		63,510,626	57,868,215
a. <i>Charter capital</i>		53,699,917	48,057,506
b. <i>Share premium</i>		8,974,677	8,974,677
c. <i>Other capital</i>		836,032	836,032
2. Reserves		19,043,575	16,074,632
3. Foreign exchange reserves		86,970	120,993
4. Retained earnings		42,369,429	33,513,021
5. Non-controlling interests		861,220	739,447
TOTAL LIABILITIES AND OWNERS' EQUITY		2,032,613,606	1,808,810,868

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2023

Unit: VND Million

OFF-BALANCE-SHEET ITEMS

NO. ITEMS	Notes	Closing balance	Opening balance (Restated)
1. Credit guarantees	39	8,785,288	7,692,271
2. Foreign exchange transactions commitments	39	726,235,823	260,355,738
<i>Foreign currency purchase commitments</i>		1,407,060	1,994,153
<i>Foreign currency sale commitments</i>		1,405,874	1,903,759
<i>Cross currency swap contracts</i>		723,422,889	256,457,826
3. Letters of credit (L/C) commitments	39	55,986,789	73,681,359
4. Other guarantees	39	102,201,746	78,213,178
5. Other commitments	39	68,704,794	53,105,344
6. Uncollected loan interest and fees	40	9,609,251	8,353,894
7. Bad debts written-off	41	147,630,472	116,930,392
8. Other properties and valuable papers	42	91,656,083	101,778,024

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



M.S.D.N: 0100111948 - C.T.C.P.
NGÂN HÀNG
THƯƠNG MẠI CỔ PHẦN
CỘNG HÒA VIỆT NAM
HÀ NỘI
Nguyễn Trần Mạnh Trung

Nguyễn Trần Mạnh Trung
Deputy General Director

29 March 2024

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

Unit: VND Million

NO. ITEMS	Notes	Current year	Prior year (Restated)
1. Interest and similar income	25	132,671,737	104,664,634
2. Interest and similar expenses	26	(79,714,259)	(56,872,679)
I. Net interest income		52,957,478	47,791,955
3. Income from services		12,384,836	11,549,069
4. Expenses on services		(5,271,107)	(5,687,120)
II. Net profit from services	27	7,113,729	5,861,949
III. Net gain from trading foreign currencies	28	4,248,109	3,555,521
IV. Net gain/(loss) from trading securities	29.1	292,626	(112,163)
V. Net gain/(loss) from investment securities	29.2	(154,121)	(30,184)
5. Other operating income		7,080,218	7,507,011
6. Other operating expenses		(1,277,142)	(969,157)
VI. Net profit from other activities	30	5,803,076	6,537,854
VII. Income from capital contribution, equity investments	31	287,268	512,244
VIII. Operating expenses	32	(20,443,499)	(19,194,714)
IX. Net profit from operating activities before credit provision expenses		50,104,666	44,922,462
X. Provision expenses for credit losses		(25,115,141)	(23,790,589)
XI. Profit before tax		24,989,525	21,131,873
7. Current corporate income tax expense	33	(4,944,844)	(4,147,777)
8. Deferred corporate income tax expense		(59)	(451)
XII. Corporate income tax expense		(4,944,903)	(4,148,228)
XIII. Profit after corporate income tax		20,044,622	16,983,645
XIV. Non-controlling interests		141,072	59,920
XV. Profit attributable to shareholders of the Bank		19,903,550	16,923,725
XVI. Basic earnings per share (VND)	34	3,706	2,703

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



MSDN: 0100111948 - C.T.C.P
NGÂN HÀNG
THƯƠNG MẠI CỔ PHẦN
TẠI VIỆT NAM
CÔNG TY THƯƠNG MẠI
TẠI HÀ NỘI
* VIỆT NAM
HANOI
VIETNAM

Nguyen Tran Manh Trung
Deputy General Director

29 March 2024

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

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2023

Unit: VND Million

NO. ITEMS	Current year	Prior year
CASH FLOW FROM OPERATING ACTIVITIES		
01. Interest and similar income received	130,262,777	102,424,705
02. Interest and similar expenses paid	(72,900,489)	(52,210,737)
03. Income received from services	7,129,372	6,015,156
04. Net cash received from trading foreign currencies, gold and securities	4,521,662	3,525,665
05. Other income	314,913	4,505,276
06. Cash recovered from bad debts written off or compensated by provision for credit losses	4,671,302	5,362,486
07. Payments to employees and for operating management	(18,023,866)	(17,193,419)
08. Corporate income tax paid for the year	(4,790,442)	(1,911,799)
Net cash from operating profit before movements in assets and working capital	51,185,229	50,517,333
<i>Movements in operating assets</i>		
09. (Increase) in placements with and loans to other credit institutions	(11,169,611)	(27,273,637)
10. (Increase)/Decrease in trading securities	(9,929,090)	6,188,335
11. Decrease/(Increase) in derivatives and other financial assets	3,058,727	(1,603,937)
12. (Increase) in loans to customers	(198,500,870)	(144,153,942)
13. (Decrease) in provisions for credit losses	(26,755,450)	(20,194,345)
14. Decrease/(Increase) in other operating assets	24,393,073	(31,999,176)
<i>Movements in operating liabilities</i>		
15. (Decrease)/Increase in borrowings from the Government and the SBV	(82,965,197)	71,484,898
16. Increase in deposits and borrowings from other credit institutions	94,891,878	70,595,997
17. Increase in deposits from customers	161,723,004	87,327,921
18. Increase in valuable papers issued (excluding issued valuable papers charged to financial activities)	24,005,308	26,873,634
19. (Decrease) in grants, trusted funds and borrowings where the Bank bears risks	(154,422)	(135,729)
20. Increase in derivatives and other financial liabilities	555,946	-
21. (Decrease) in other operating liabilities	(1,570,177)	(3,163,623)
I. Net cash generated by operating activities	28,768,348	84,463,729

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

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2023

Unit: VND Million

NO. ITEMS	Current year	Prior year
CASH FLOWS FROM INVESTING ACTIVITIES		
01. Acquisition of fixed assets	(804,101)	(623,680)
02. Proceeds from sales, disposals of fixed assets	10,473	16,841
03. Expenses on sales, disposal of fixed assets	(2,591)	(2,178)
04. Investments in other entities	-	6,200
05. Proceeds from investments in other entities	92,337	87,736
II. Net cash (used in) investing activities	(703,882)	(515,081)
CASH FLOWS FROM FINANCING ACTIVITIES		
01. Dividends paid	-	(3,844,600)
III. Net cash (used in) financing activities	-	(3,844,600)
IV. Net increase in cash	28,064,466	80,104,048
V. Cash and cash equivalents at the beginning of the year	244,298,220	164,376,586
VI. Effects of changes in foreign exchange rates	(59,079)	(182,414)
VII. Cash and cash equivalents at the end of the year (Note 35)	272,303,607	244,298,220

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
Deputy General Director

29 March 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

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

Establishment and operation

The Bank was incorporated on the basis of equitizing Vietnam Bank for Industry and Trade, a State-owned commercial bank that was incorporated under the name of Vietnam Industrial and Commercial Bank in accordance with Decree No. 53/ND-HD-BT dated 26 March 1988 of the Council of Ministers on the organization of the State Bank of Vietnam ("SBV"). The Bank was officially renamed Vietnam Bank for Industry and Trade in accordance with Decision No. 402/CT dated 14 November 1990 granted by the Chairman of the Council of Ministers and remodeled to become a State Corporation under Decision No. 285/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 issued by the SBV and Business Registration Certificate No. 0103038874 dated 03 July 2009 issued by Hanoi Authority for Planning and Investment. The latest (13th) amended Enterprise Registration Certificate No. 0100111948 was issued by Hanoi Authority for Planning and Investment on 08 January 2024. On 17 June 2022, the SBV granted Establishment and Operation License No. 13/GP-NHNN to replace the Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 and amending and supplementing decisions relating thereto from 2017 to 2021. The latest amending and supplementing decision related to the Establishment and Operation License was issued by the SBV on 03 November 2023.

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

Charter capital

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

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

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

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

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

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

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

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

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

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

Operating network

The Head Office of the Bank is located at 108 Tran Hung Dao Street, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2023, the Bank has one (01) Head Office; two (02) local representative offices (in Da Nang and Ho Chi Minh City) and (01) overseas representative office in Myanmar; eight (08) administrative units including: one (01) School of Human Resource Development and Training, one (01) Card centre, one (01) Trade Finance Centre, five (05) Cash management centres; one hundred and fifty seven (157) branches and nine hundred and fifty six (956) transaction offices (including two (02) overseas branches).

Subsidiaries

As at 31 December 2023, the Bank has seven (07) subsidiary companies and one (01) subsidiary bank as follows:

No	Name	Operating Licence	Nature of Business	Proportion of Ownership of the Bank
1	Finance Leasing Company Limited – Viet Nam Joint Stock Commercial Bank for Industry and Trade	License of Establishment and Operation No. 53/1998/QD-NHNN5 dated 26 January 1998 issued by the SBV and the 1 st Business Registration Certificate No. 0101047075/GP dated 31 August 2009 by Hanoi Authority for Planning and Investment, the 11 th amendment dated 01 June 2022	Finance and banking	100%
2	Vietnam Bank for Industry and Trade Securities Joint Stock Company	Establishment and Operation License No. 107/UBCK-GP dated 01 July 2009 issued by the State Securities Commission and Amended License No. 97/GPDC-UBCK dated 10 October 2022	Securities activities	75.6%
3	Asset Management Company Limited - Viet Nam Joint Stock Commercial Bank for Industry and Trade	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%
4	VietinBank Insurance Joint Stock Corporation	Establishment and Operation License No. 21/GP-KDBH dated 12 December 2002 issued by the Ministry of Finance and Amended License No. 21/GPDC33/KDBH dated 03 March 2022 by the Ministry of Finance	Non-life insurance	73.4%
5	VietinBank Gold and Jewellery Trading Company Ltd	Enterprise Registration Certificate No. 0105011873/GP dated 25 November 2010 granted by Hanoi Authority for Planning and Investment, the 9 th amendment dated 19 December 2022	Trading, producing and refining gold, silver, precious stones	100%
6	VietinBank Fund Management Company Limited	Establishment and Operation License No. 50/UBCK-GP dated 26 October 2010 issued by State Securities Commission and Amended License No. 105/GPDC-UBCK dated 03 November 2022	Fund management	100%
7	VietinBank Global Money Transfer Company	Enterprise Registration Certificate No. 0105757686 dated 03 January 2012 issued by Hanoi Authority for Planning and Investment, the 1 st amendment dated 13 March 2015	Monetary transfer intermediary	100%
8	VietinBank Limited Lao	Enterprise Registration Certificate No. 068/NHCHDCNDL dated 08 July 2015 granted by Bank of the Lao P.D.R and Amended License No. 2947/NHCHDCNDL dated 27 September 2023	Finance and banking	100%

Employees

The total number of employees of the Bank and its subsidiaries as at 31 December 2023 was 24.642 (as at 31 December 2022: 25.119).

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

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

3. APPLICATION OF NEW GUIDELINES

Circular No. 02/2023/TT-NHNN dated 23 April 2023

On 23 April 2023, the State Bank of Vietnam ("SBV") issued Circular No. 02/2023/TT-NHNN ("Circular 02") providing instructions for credit institutions and foreign bank branches on debt rescheduling and debt category maintaining to assist customers with difficulty. Circular 02 took effect from 24 April 2023 onwards.

Some major changes in Circular 02 that have an impact on the Bank's consolidated financial statements in the financial year include:

- Regulations on the conditions of debts whose repayment terms of principal and/or interest are rescheduled, and on maintaining debt categories and classifying debts after rescheduling the debt repayment term; and
- Regulations on making provision for debts whose repayment terms of principal and/or interest are rescheduled according to this Circular.

Circular No. 18/2022/TT-NHNN dated 26 December 2022

On 26 December 2022, the State Bank of Vietnam issued Circular No. 18/2022/TT-NHNN ("Circular 18") amending and supplementing a number of articles of Circular No. 09/2015/TT-NHNN ("Circular 09") dated 17 July 2015 of the State Bank of Vietnam stipulating the debt trading of credit institutions and foreign bank branches. Circular 18 took effect from 09 February 2023 onwards.

Some major changes in the Circular 18 that have an impact on the Bank's consolidated financial statements in the financial year include:

- Amending a number of articles of Circular 09 on the principles of debt trading; debt valuation; management of traded debts and financial handling, accounting for traded debts;
- Supplementing a number of articles of Circular 09 on debt trading in case the debt buyer has not fully paid the debt purchase amount and management and supervision of a debt partially sold or sold to multiple buyers;
- Replacing some phrases, clauses and articles of Circular 09.

The Bank has applied these circulars in the preparation and presentation of the consolidated financial statements for the financial year ended 31 December 2023.

Law on Insurance Business No. 08/2022/QH15 dated 16 June 2022

On 16 June 2022, the National Assembly issued Law on Insurance Business Law No. 08/2022/QH15 ("Insurance Business Law 2022") regulating the organization and operation of insurance business; rights and obligations of organizations and individuals participating in insurance; State management of insurance business activities. The Law on Insurance Business 2022 takes effect from 1 January 2023, replacing the Law on Insurance Business No. 24/2000/QH10 dated 9 December 2000 amending and supplementing a number of article of the Law on Insurance Business No. 61/2010/QH12 dated 24 November 2010 and amending and supplementing a number of articles of the Law on Insurance Business and Intellectual Property Law No. 42/2019/QH14 dated 14 June 2019 ("Insurance Business Law 2000"), except for some provisions effective from 1 January 2028.

Decree No. 46/2023/ND-CP dated 01 July 2023

On 1 July 2023, the Government issued Decree No. 46/2023/ND-CP ("Decree 46") detailing the implementation of a number of articles of the Law on Insurance Business 2022. Decree 46 takes effect from 1 July 2023, replacing Decree No. 73/2016/ND-CP dated 1 July 2016 ("Decree 73") detailing the implementation of a number of articles of the Law on Business Insurance Business 2000. Some regulations in Decree 46 take effect from 1 January 2023, including regulations on finance, accounting and financial reporting.

Circular No. 67/2023/TT-BTC dated 02 November 2023

On 2 November 2023, the Ministry of Finance issued Circular No. 67/2023/TT-BTC ("Circular 67") guiding a number of articles of the Law on Insurance Business and Decree 46. Circular 67 takes effect from 2 November 2023, replacing Circular No. 50/2017/TT-BTC dated 15 May 2017 ("Circular 50") guiding the implementation of Decree 73. Some regulations in Circular 67 takes effect from 1 January 2023, including regulations on the duties of actuaries, reinsurance activities, insurance agent - broker commissions and maximum limits on bonuses, agent support and other benefits as agreed in the agent contract.

The Bank's Board of Management has complied with the provisions of the Law on Insurance Business 2022, Decree 46 and Circular 67 and assessed that the application of these regulations would have no significant impact on the consolidated financial statements of the Bank for the financial year ended 31 December 2023.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

The consolidated financial statements incorporate the separate financial statements of the Bank and the financial statements of the enterprises/bank controlled by the Bank ("its subsidiaries") for the year ended 31 December 2023. Control is achieved when the Bank has the power to govern the financial and operating policies of investee enterprises so as to obtain benefits from their activities.

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

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

Business combinations

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

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

Investments in joint ventures

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

Foreign currencies

According to the Bank's accounting system, all transactions are recorded in original currencies. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into VND using the average buying and selling spot exchange rates at the close of business of the year-end date if the difference between this rate and the weighted average buying and selling exchange rate of the same day is less than 1% (see details of foreign currency rates applied as at 31 December 2023 in Note 51). Otherwise, the Bank uses the weighted average buying and selling exchange rates ruling at the year-end date for conversion. Income and expenses arising in foreign currencies of the Bank are converted into VND at exchange rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities from foreign currencies into VND are recognized in the consolidated income statement.

Cash and cash equivalents

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

Placements with and loans to other credit institutions

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

The credit risk classification for placements with and loans to other credit institutions and the corresponding provisioning shall comply with the provisions of Circular No. 11/2021/TT-NHNN dated 30 July 2021 ("Circular 11") of the SBV. Accordingly, 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.

Derivatives

Foreign currency forward and swap contracts

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

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

Interest rate swap contracts

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

Loans to customers

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

Provision for credit losses

Classification of loans and provision for credit losses

In accordance with Circular 11, credit institutions are required to implement loan classification and credit risk provisioning. Loan classification and credit risk provisioning in compliance with Circular 11 are applied 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;
- Payments on behalf under off-balance-sheet commitments;
- Amounts for purchase and entrustment of purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on stock exchanges nor registered for trading on the UPCoM trading system (hereinafter referred to as unlisted bonds), excluding the purchase of unlisted bonds with trusted funds to which the trustee bears the risk;
- Credit granting entrustment;
- Deposits (except for current accounts and deposits at Vietnam Bank for Social Policies in accordance with 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 deposits at overseas credit institutions;
- Debt sale and purchase according to the State Bank's regulations on buying and selling debt;
- Repos of Government bonds in the stock market in accordance with law on issuance, registration, depository, listing and trading of Government debt securities in the stock market;
- Purchase of promissory notes, bills and certificates of deposit issued by other credit institutions and foreign bank branches.

Accordingly, customers' loans are determined to be the highest of risk group as classified under Article 10 and Article 11 of Circular 11 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 same debt group for a number of loans in accordance with the provisions of Circular No. 10/2015/TT-NHNN dated 22 July 2015 and Circular No. 25/2018/TT-NHNN dated 24 October 2018 of the SBV amending and supplementing a number of articles of Circular No. 10/2015/TT-NHNN guiding the implementation of some contents of the Government's Decree No. 55/2015/NĐ-CP dated 09 June 2015 ("Decree 55") on credit policies for agricultural and rural

development; Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01") on debt rescheduling, exemption or reduction of interest and fees, maintaining debt categories at credit institutions and branches of foreign banks to assist customers affected by Covid-19 pandemic; Circular No. 03/2021/TT-NHNN dated 02 April 2021 ("Circular 03") amending and supplementing a number of articles of Circular 01; Circular No. 14/2021/TT-NHNN dated 07 September 2021 ("Circular 14") amending and supplementing a number of articles of Circular 01; Circular No. 02/2023/TT-NHNN dated 23 April 2023 ("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.

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

Specific provision at the year end date is calculated by subtracting the discounted value of collateral from the outstanding loan balance multiplied by the specific provision rate based on the loan classification result at the year-end. Specific provision rate for each debt group as regulated by Circular 11 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 03 and Circular 02.

In accordance with Circular 03, the Bank should make a specific provision for customers whose debts are rescheduled or granted interest and fees exemption or reduction as prescribed by this Circular as follows:

- Up to 31 December 2021: by at least 30% of the specific provision to be additionally made;
- Up to 31 December 2022: by at least 60% of the specific provision to be additionally made; and
- Up to 31 December 2023: 100% of the specific provision to be additionally made.

Under Circular 02, the Bank is required to make specific provision for debts to customers whose repayment terms of the remaining principal balance are rescheduled as prescribed by this Circular as follows:

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

Following Circular 11, a general provision is made for credit losses that are yet to be identified during the loan classification and specific provisioning process as well as in cases where the 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 the total outstanding balance of loans which are classified into groups 1 to 4, excluding deposits at domestic credit institutions and foreign bank branches in Vietnam following the 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 Circular 11.

Write-off of bad debts

Provision is recorded as an expense on the consolidated income statement and used to write – off bad debts. In accordance with Circular 11, the Bank must set up Risk Management Committee to deal with bad debts if they are classified as Group 5, or if borrowers are either liquidated or bankrupted legal entities or deceased or missing individual.

Classification of off-balance-sheet commitments

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

The Bank does not make general and specific provisions for off-balance-sheet commitments in accordance with the guidance of Circular 11.

Investments

Trading securities

Trading securities include debt securities, equity securities and other securities that the Bank and/or its subsidiaries has bought and had the intention to sell in the near future in order to gain benefits from price differences. Trading securities are recognized at cost at transaction date 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 11 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Circular 11. Provisions for impairment of securities that are not stipulated in the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recognized in the consolidated income statement as "Net gain/ (loss) from trading securities".

Investment securities

Available-for-sale investment securities

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

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

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

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

Periodically, available-for-sale securities are subject to impairment review. Provisions for securities that are stipulated in the scope of Circular 11 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Circular 11. Provisions for impairment of securities that are not stipulated in the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the consolidated income statement as "Net gain/(loss) from investment securities".

Held-to-maturity investment securities

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

Periodically, held-to-maturity securities are subject to impairment review. Provisions for securities that are fallen within the scope of Circular 11 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Circular 11. Provisions for impairment of securities that are not fallen within the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the consolidated income statement as "Net gain/(loss) from investment securities".

Reclassification

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

Other long-term investments

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

Provision for impairment of capital contribution, long-term investments

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

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

Recognition

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

Derecognition

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

Repurchase and re-sale contracts

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

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

Trust activities and trusted funds

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

Tangible fixed assets

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

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

Intangible assets

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

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

Leasing

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

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

Depreciation and amortization

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

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

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

Prepaid expenses

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

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

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

Receivables

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

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

Other provisions

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

Capital and reserves

Common shares

Common shares are classified as owners' equity.

Share premium

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

Treasury shares

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

Reserves

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

- 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 funds are established in accordance with the decision of the General Shareholders' Meeting;
- 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:

- 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 annulling entirely Circular No. 146/2014/TT-BTC dated 06 October 2014 ("Circular 146") issued by the Ministry of Finance as follows:
 - The balance of the supplementary charter capital reserve built up according to the provisions of Circular 146 is used to supplement the charter capital in accordance with the provisions of Law on Securities No. 54/2019/QH14, related guiding documents and the Charter on organization and operation of these companies;
 - The balance of the operational risk and financial reserve built up according to the provisions of Circular 146 is used to supplement the charter capital or in accordance with decision of the General Shareholders' Meeting, Board of Members or Chairman/President in accordance with the

provisions of Law on Securities No. 54/2019/QH14, related guiding documents and the Organizational and Operating Charter 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. 73/2016/ND-CP dated 01 July 2016 issued by the Government at the following rate:
 - Statutory reserve fund: 5% of profit after tax, not exceeding 10% of the Company's charter capital.
- VietinBank Lao Limited: statutory reserve fund, investment and development fund and other funds are appropriated from VietinBank Lao Limited's net profit after tax according to Amended Law on Commercial Banks on 07 December 2018 published by the Lao National Assembly at the following rates:
 - Statutory reserve fund: 10% of profit after tax;
 - Investment and development fund: established in accordance with the owner's approval.

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

Revenue and expenses

Interest and similar income/expenses

Interest income and interest expenses are recognized in the consolidated income statement on the accrual basis. The recognition of accrued interest income arising from the loans that are classified from group 2 to group 5 in accordance with Circular 11, accrued interest income on loans restructured and maintained as Standard loan groups (group 1) as prescribed in Circular 01, Circular 03, Circular 14, Circular 02 and Decree 55 will not be recognized in the consolidated income statement. Accrued interest income on such loans is recorded as an off-balance-sheet item and is recognized in the consolidated income statement upon actual receipt.

Income and expenses from interest on investments are recorded on the accrual basis. Accrued interest income of securities that are fallen within the scope of Circular 11 and classified from group 2 upwards is not recognized in the consolidated income statement for the year. These accruals are recorded as off-balance-sheet items and are only recognized in the consolidated income statement upon actual receipt.

Insurance income and expenses

For direct premium insurance transactions

Gross direct premiums are recognized in accordance with Circular 67. Accordingly, gross direct premiums are recognized when one of the following conditions are 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 paid the premiums fully; and (3) the insurance contract is signed and there is an agreement between the insurer and the insured for delayed payment of insurance premium, and in this case, the insurer will still record the premium amount as an income for the current year even though the amount has not been paid by the insured. The premium payment period is no longer than 30 days from the effective date of the insurance policy.

In the case of the periodic payment, the insurer records income from insurance premium of the first payment period when the policy is effective and only records revenue from insurance premiums of the next payment periods when the insured has fully paid the insurance premium as per the policy. In case the insured has not fully paid the insurance premium as agreed in the contract, the insurance contract shall be automatically terminated at the end of the insurance premium payment term.

The prepaid premium before the due date as at the end of the fiscal year is recognized in the "Other payables and liabilities" item in the consolidated statement of financial position. Premium return and premium reduction are considered as revenue deduction and must be recorded separately. At the end of financial year, 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. In case that the final claim amount has not been finalized, but the insurer is certain that the loss is within its insured liabilities and has paid an advance to the customer as per their request, such advance would also be recognized as claim expense. The claims which have not been approved as at the reporting date are considered as outstanding claims and included in claim reserves.

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

For reinsurance transactions

(i) Reinsurance ceded

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

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

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

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

(ii) Reinsurance assumed

Reinsurance assumed under treaty reinsurance arrangement:

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

Income from service charges and commissions

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

Income from guarantee and L/C commitment activities

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

Income from securities trading

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

Recognition of dividends and profits received

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

Revenue from other services

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

Recognition of receivables not yet collected

According to Circular No. 16/2018/TT-BTC dated 07 February 2018 ("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 as reduction in revenue if the income has been accrued in the same financial year or recorded as other expenses if accrued in different financial year and monitored off-balance-sheet for collection. Upon actual receipt of these receivables, the Bank recognizes them as income according to the nature of the income in the consolidated income statement.

Expenses recognition principle

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

Taxation

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

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

Deferred tax is recognized on temporary differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences, unless they occurred from the initial

recognition of an asset or liability of a transaction which has no impact on accounting profit or taxable profit/(loss) at the transaction date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

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

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

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

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

Employee benefits

Post-employment benefits

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

Severance allowance

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

Unemployment insurance

According to Circular No. 28/2015/TT-BLDTBXH dated 31 July 2015 ("Circular 28") of the Ministry of Labour - War Invalids and Social Affairs guiding the implementation of Article 52 of the Law on Employment 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.

Related parties

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

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

Technical reserves for insurance activities

The technical reserves are calculated in accordance with Circular 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. 1916/BTC-QLBH dated 28 February 2022. 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, applying the 1/8 method for making premium provision on the basis of premium.

Claim reserve

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

For losses incurred but not reported ("IBNR"):

- Claim reverses for direct insurance and ceded reinsurance is made based on statistical ratio of claims incurred during 3 consecutive years;
- Claim reverses for assumed reinsurance and ceded reinsurance is made at 3% based on insurance premium of each insurance activity.

Catastrophe reserve

According to Vietnamese Accounting Standard ("VAS") No. 19 - Insurance Contract, catastrophe reserve for possible claims under contracts that are not in existence at the reporting date is no longer required. However, VietinBank Insurance Joint Stock Corporation follows the reserve policy in accordance with Circular 50, accordingly, catastrophe reserve for all types of insurance services is consistently made at 1% of total retained premiums for the year.

Technical reserve for health insurance

Mathematical reserve

- Regarding health insurance policies, reinsurance policies ("insurance policy") with a term of more than 1 year, mathematical reserve is made based on the coefficient of the insurance policy duration, applying the 1/8 method for making premium provision on the basis of insurance premium.
- Regarding health insurance policies, reinsurance policies ("insurance policies") which only cover death or total permanent disability, mathematical reserve is set aside based on a coefficient of the insurance policies duration, applying the daily method according to insurance premium.

Unearned premium reserve

For health insurance policies, reinsurance policies ("insurance policy") with a term of less than 01 year, unearned premium reserve is made based on the coefficient of the insurance policy duration, applying the 1/8 method for making premium provision on the basis of insurance premium.

Claim reserve

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

For losses incurred but not reported ("IBNR"):

- Claim reverses for direct insurance and ceded reinsurance is made based on statistical ratio of claims incurred during 3 consecutive years;
- Claim reverses for assumed reinsurance and ceded reinsurance is made at 3% based on insurance premium of each insurance activity.

Equalization reserve

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

Offsetting

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

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

5. CASH, GOLD AND GEMSTONES

	Closing balance	Opening balance
	VND Million	VND Million
Cash in VND	8,542,783	9,897,136
Cash in foreign currencies	1,160,875	1,148,066
Monetary gold	37,737	3,666
Other precious metal and gemstones	18,185	18,088
	9,759,580	11,066,956

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

	Closing balance	Opening balance
	VND Million	VND Million
Current account at the SBV		
- In VND	35,761,135	29,416,069
- In foreign currencies	4,835,924	311,041
	40,597,059	29,727,110

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

7. PLACEMENTS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

	Closing balance	Opening balance
	VND Million	VND Million
Placements with other credit institutions		
Demand deposits	188,427,117	131,699,995
- In VND	87,098,498	69,108,008
- In foreign currencies	101,328,619	62,591,987
Term deposits	70,802,900	90,754,665
- In VND	21,270,000	28,517,000
- In foreign currencies	49,532,900	62,237,665
	259,230,017	222,454,660
Loans to other credit institutions		
- In VND	11,630,801	18,587,904
- In foreign currencies	8,980,821	1,389,389
	20,611,622	19,977,293
Placements with and loans to other credit institutions	279,841,639	242,431,953

C.I.T.I.N. E. 200

Analysis of placements with other credit institutions (excluding current accounts at domestic credit institutions, foreign banks' branches in Vietnam, placements with Vietnam Bank for Social Policies in accordance with regulations of SBV on the maintainance of state-owned credit institutions' placements at the Vietnam Bank for Social Policie under Circular 11) and loans to other credit institutions by quality is as follows:

	Closing balance	Opening balance
	VND Million	VND Million
Current loans	91,414,522	110,731,958
Special-mention loans	-	-
Sub-standard loans	-	-
Doubtful loans	-	-
Loss loans	-	-
	91,414,522	110,731,958

8. TRADING SECURITIES

8.1. Trading securities

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	1,489,551	752,618
Government bonds	348,604	231,018
Debt securities issued by other domestic credit institutions	509,047	-
Debt securities issued by domestic economic entities	631,900	521,600
Equity securities	1,186,579	870,349
Equity securities issued by other domestic credit institutions	365,172	387,238
Equity securities issued by domestic economic entities	821,407	483,111
	2,676,130	1,622,967
Provisions for impairment of trading securities	(188,225)	(216,784)
Provision for impairment	(154,106)	(212,872)
General provision	(4,739)	(3,912)
Specific provision	(29,380)	-
	2,487,905	1,406,183

8.2. Listing status of trading securities

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	1,489,551	752,618
Listed	348,604	231,018
Unlisted	1,140,947	521,600
Equity securities	1,186,579	870,349
Listed	977,441	655,203
Unlisted	209,138	215,146
	2,676,130	1,622,967

8.3. Quality analysis of securities classified as credit risk assets

	Closing balance	Opening balance
	VND Million	VND Million
Current loans	1,024,047	521,600
Special mention loans	64,600	-
Sub-standard loans	-	-
Doubtful loans	52,300	-
Loss loans	-	-
	1,140,947	521,600

8.4. Provisions for trading securities

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

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

Movements in provisions for trading securities for the year ended 31 December 2022 are as follows:

	General provision	Specific provision	Provisions for impairment	Total
	VND Million	VND Million	VND Million	VND Million
Opening balance	6,054	-	41,444	47,498
Provision (reversed)/made for the year	(2,142)	-	171,428	169,286
Closing balance	3,912	-	212,872	216,784

9. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

	Net book value (at exchange rate as at the reporting date)		
	Assets	Liabilities	Net amount
	VND Million	VND Million	VND Million
As at 31/12/2023			
Currency derivative financial instruments	-	(467,558)	(467,558)
- <i>Forward contracts</i>	-	(347,868)	(347,868)
- <i>Swap contracts</i>	-	(119,690)	(119,690)
Interest rate derivative financial instruments	-	(88,388)	(88,388)
	-	(555,946)	(555,946)
As at 31/12/2022			
Currency derivative financial instruments	3,150,003	-	3,150,003
- <i>Forward contracts</i>	127,406	-	127,406
- <i>Swap contracts</i>	3,022,597	-	3,022,597
Interest rate derivative financial instruments	-	(91,276)	(91,276)
	3,150,003	(91,276)	3,058,727

10. LOANS TO CUSTOMERS

	Opening balance (Restated)
Closing balance	VND Million
Loans to domestic economic entities and individuals	1,456,819,171
Discounting promissory notes and valuable papers	1,729,508
Finance leases	5,397,349
Payment made on behalf of customers	226,988
Loans by grants, investment trusts	10,668
Loans to foreign organisations and individuals	9,160,880
	1,473,344,564
	1,274,843,694

Analysis of loan portfolio by quality

	Opening balance (Restated)
Closing balance	VND Million
Current loans	1,433,907,162
Special-mention loans	22,829,070
Sub-standard loans	2,508,483
Doubtful loans	4,721,294
Loss loans	9,378,555
	1,473,344,564
	1,274,843,694

Analysis of loans portfolio by original term

	Opening balance (Restated)
Closing balance	VND Million
Short-term loans (Up to 1 year)	961,733,146
Medium-term loans (From 1 to 5 years)	86,853,938
Long-term loans (Above 5 years)	424,757,480
	1,473,344,564
	1,274,843,694

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

	Closing balance	Opening balance (Restated)
	VND Million	VND Million
State-owned enterprises	57,543,501	64,730,484
Single-member limited liability companies with 100% State ownership	18,118,551	18,079,808
Multi-member limited liability companies with over 50% State ownership or being controlled by the State	7,315,766	7,683,364
Other limited companies	307,910,083	267,466,339
Joint stock companies with more than 50% of the State's share-holding	24,248,990	21,181,071
Other joint stock companies	407,852,471	346,530,426
Partnership companies	31,641	4,190
Private companies	14,656,644	13,350,585
Foreign invested enterprises	78,796,482	61,301,483
Cooperatives, cooperative unions	1,310,113	1,307,206
Household businesses, individuals	554,050,527	471,415,451
Administrative units, the Party, unions and associations	770,400	913,395
Others	739,395	879,892
	1,473,344,564	1,274,843,694

Analysis of loan portfolio by sector

	Closing balance	Opening balance (Restated)
	VND Million	VND Million
Agriculture, forestry and aquaculture	48,414,349	46,625,378
Mining and quarrying	8,714,467	9,933,405
Production and processing	305,193,312	269,186,570
Electricity, fuel gas and water production and distribution	67,775,596	64,515,281
Construction	80,341,729	87,356,195
Wholesale and retail; repair of cars, motorcycles, motorbikes and other motor vehicles	550,695,326	437,098,865
Transport, warehouse and communication	30,068,029	23,669,902
Trade and service	259,757,577	237,775,449
Employment activities in households, production of material products and services for household self-consumption	74,853,804	68,869,423
Others	47,530,375	29,813,226
	1,473,344,564	1,274,843,694

11. PROVISIONS FOR CREDIT LOSSES ON LOANS TO CUSTOMERS

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

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

Movements in provisions for credit losses on loans to customers for the year ended 31 December 2022 are restated as follows:

	General provision	Specific provision	Total
	VND Million	VND Million	VND Million
Opening balance	8,422,669	17,372,433	25,795,102
Provision made for the year	1,000,483	22,790,106	23,790,589
Provision used to write off bad debts for the year	-	(20,172,360)	(20,172,360)
Other adjustments	-	(101)	(101)
Closing balance (Restated)	9,423,152	19,990,078	29,413,230

12. INVESTMENT SECURITIES

12.1. Available-for-sale investment securities

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities		
Government bonds	180,218,858	178,308,413
Debt securities issued by other domestic credit institutions	75,593,879	77,511,269
Debt securities issued by domestic economic entities	100,838,818	96,813,834
Equity securities		
Equity securities issued by domestic economic entities	3,786,161	3,983,310
	376,615	376,615
	376,615	376,615
	180,595,473	178,685,028
Provisions for impairment of available-for-sale investment securities	(139,267)	(65,232)
Provisions for impairment	(5,494)	(35,357)
General provision	(28,397)	(29,875)
Specific provision	(105,376)	-
	180,456,206	178,619,796

12.2. Held-to-maturity investment securities

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities		
Government bonds	864,999	1,696,778
Debt securities issued by domestic economic entities	400,000	1,200,000
Provisions for impairment of held-to-maturity investment securities	(464,999)	(496,778)
General provision	(110,674)	(3,726)
Specific provision	(3,487)	-
	(107,187)	-
	754,325	1,693,052

12.3. Quality analysis of securities classified as credit risk assets

	Closing balance	Opening balance
	VND Million	VND Million
Current loans	93,386,243	91,779,755
Special-mention loans	-	-
Sub-standard loans	386,748	30
Doubtful loans	92,372	-
Loss loans	100,040	-
	93,965,403	91,779,785

12.4. Movements in provision for impairment of investment securities

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

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

Movements in provision for credit losses on investment securities for the year ended 31 December 2022 are as follows:

	Provision for available-for-sale investment securities			Provision for held-to-maturity investment securities			Total VND Million
	General provision	Specific provision	Provisions for impairment	General provision	Specific provision		
	VND Million	VND Million	VND Million	VND Million	VND Million		
Opening balance	70,838	-	51,189	3,726	-		125,753
Provision (reversed) for the year	(40,963)	-	(15,832)	-	-	(56,795)	
Closing balance	29,875	-	35,357	3,726	-		68,958

13. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS

Analysis by type of investment

		Closing balance	Opening balance
		VND Million	VND Million
Equity investments in joint ventures (Note 13.1)		3,206,452	3,303,160
Other long-term investments		234,462	234,462
Provisions for impairment of long-term investments		(14,431)	(18,181)
		3,426,483	3,519,441

13.1. Investment in joint ventures

	Closing balance			Opening balance		
	Cost equivalent	Net value of investment using equity method	Proportion of ownership interest	Cost equivalent	Net value of investment using equity method	Proportion of ownership interest
	VND Million	VND Million	%	VND Million	VND Million	%
Indovina Bank Ltd.	1,688,788	3,206,452	50	1,688,788	3,303,160	50
	1,688,788	3,206,452		1,688,788	3,303,160	

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, equivalent to VND 3,377,500 million.

Since its establishment, as approved by the SBV, Indovina Bank Limited has made several capital increases, in which the value of capital contributed by the two parties to the joint venture increased but the proportion of contributed capital did not change. As at 31 December 2023 the charter capital of Indovina Bank Limited is USD 193,000,000, equivalent to VND 3,377,500 million.

14. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings, structures VND Million	Machinery, equipment VND Million	transmission equipment VND Million	Motor vehicles, and other tangible fixed assets VND Million	Management tools, equipment and other tangible fixed assets VND Million	Total VND Million
Cost						
Opening balance (Restated)	8,192,053	5,777,063	1,816,735	405,372	16,191,223	
Acquisitions during the year	32,068	351,161	183,876	33,532	600,637	
Transfer from construction in progress	213,398	19,929	11,410	19,832	264,569	
Other increases	3,922	889	289	859	5,959	
Reclassification	(9,877)	2,031	-	15	(7,831)	
Disposals	(6,898)	(343,166)	(40,258)	(3,349)	(393,671)	
Other decreases	(10,987)	(3,745)	(1,375)	(3,315)	(19,422)	
Closing balance	8,413,679	5,804,162	1,970,677	452,946	16,641,464	
Accumulated depreciation						
Opening balance (Restated)	3,072,133	5,348,906	1,372,947	349,384	10,143,370	
Depreciation charged for the year	311,142	239,961	152,045	26,585	729,733	
Other increases	40,919	2,780	402	231	44,332	
Reclassification	(2,046)	2,046	-	-	-	
Disposals	(6,671)	(342,656)	(40,259)	(3,394)	(392,980)	
Other decreases	(8,786)	(2,812)	(1,334)	(3,321)	(16,253)	
Closing balance	3,406,691	5,248,225	1,483,801	369,485	10,508,202	
Net book value						
Opening balance (Restated)	5,119,920	428,157	443,788	55,988	6,047,853	
Closing balance	5,006,988	555,937	486,876	83,461	6,133,262	

Other information about tangible fixed assets:

	Closing balance	Opening balance
	VND Million	VND Million
Cost of tangible fixed assets fully depreciated but still in use	7,310,526	7,113,429
	7,310,526	7,113,429

15. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND Million	Computer software and other intangible assets VND Million	Total VND Million
Cost			
Opening balance	4,113,942	2,665,355	6,779,297
Acquisitions during the year	-	100,929	100,929
Other increases	152	788	940
Reclassification	7,831	-	7,831
Disposals	-	(80,926)	(80,926)
Other decreases	(1,939)	(1,725)	(3,664)
Closing balance	4,119,986	2,684,421	6,804,407
Accumulated amortisation			
Opening balance (Restated)	459,023	2,164,770	2,623,793
Amortisation charged for the year	38,889	230,311	269,200
Other increases	31	761	792
Disposals	-	(80,926)	(80,926)
Other decreases	(91)	(633)	(724)
Closing balance	497,852	2,314,283	2,812,135
Net book value			
Opening balance (Restated)	3,654,919	500,585	4,155,504
Closing balance	3,622,134	370,138	3,992,272

Other information about intangible assets:

	Closing balance VND Million	Opening balance VND Million
Cost of intangible assets fully amortized but still in use	1,121,928	1,057,617
	1,121,928	1,057,617

16. OTHER ASSETS

16.1. Receivables

	Closing balance VND Million	Opening balance VND Million
Construction in progress (i)	5,570,225	5,633,260
Purchases and major repair of fixed assets	898,437	935,649
External receivables	34,820,962	59,253,934
Internal receivables	165,130	170,969
	41,454,754	65,993,812

(i) Construction in progress

	Closing balance VND Million	Opening balance VND Million
Constructions in the Northern area	5,363,006	5,359,085
Constructions in the Central area	74,894	144,036
Constructions in the Southern area	132,325	130,139
	5,570,225	5,633,260

16.2. Other assets

	Closing balance	Opening balance (Restated)
	VND Million	VND Million
Materials and tools	233,131	169,493
Prepaid expenses	3,233,940	3,136,332
Other assets	16,523	16,523
	3,483,594	3,322,348

16.3. Provisions for impairment of other balance sheet assets

	Closing balance	Opening balance
	VND Million	VND Million
Provision for bad debts	91,709	45,699
Provision for devaluation of inventories	14,988	15,927
	106,697	61,626

17. BORROWINGS FROM THE GOVERNMENT AND THE SBV

	Closing balance	Opening balance
	VND Million	VND Million
Borrowings from the SBV	766,887	1,736,629
Loans under credit contracts	759,929	1,081,275
Borrowings for grants to State-owned enterprises	6,958	6,958
Discounting and rediscounting valuable papers	-	648,396
Current accounts held by the State Treasury	21,047,218	103,042,673
In VND	21,047,218	103,042,673
	21,814,105	104,779,302

18. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

18.1. Deposits from other credit institutions

	Closing balance	Opening balance
	VND Million	VND Million
Demand deposits	173,335,962	98,563,856
- In VND	66,933,951	50,738,812
- In foreign currencies	106,402,011	47,825,044
Term deposits	86,556,784	41,368,672
- In VND	80,124,000	38,387,000
- In foreign currencies	6,432,784	2,981,672
	259,892,746	139,932,528

18.2. Borrowings from other credit institutions

	Closing balance	Opening balance
	VND Million	VND Million
- In VND	16,008,172	8,542,533
<i>In which: Discounting, rediscounting borrowings</i>	877,824	-
- In foreign currencies	28,420,803	60,954,782
	44,428,975	69,497,315

19. DEPOSITS FROM CUSTOMERS

	Closing balance	Opening balance
	VND Million	VND Million
Demand deposits	310,918,934	243,525,291
- Demand deposits in VND	268,541,833	208,131,149
- Demand deposits in foreign currencies	42,377,101	35,394,142
Term deposits	1,092,787,812	999,060,030
- Term deposits in VND	1,056,416,463	965,635,265
- Term deposits in foreign currencies	36,371,349	33,424,765
Deposits for specific purposes	2,135,004	2,290,610
- Deposits for specific purposes in VND	1,452,449	1,470,044
- Deposits for specific purposes in foreign currencies	682,555	820,566
Margin deposits	5,057,288	4,300,103
- Margin deposits in VND	4,372,632	3,962,796
- Margin deposits in foreign currencies	684,656	337,307
	1,410,899,038	1,249,176,034

Customer deposit portfolio by type of customers and type of businesses

	Closing balance	Opening balance
	VND Million	VND Million
State-owned enterprises	206,607,200	197,119,163
Single-member limited liability companies with 100% State ownership	34,591,565	27,855,219
Multi-member limited liability companies with over 50% State ownership or being controlled by the State	1,175,486	1,080,309
Other limited companies	47,922,236	43,666,936
Joint stock companies with more than 50% of the State's share-holding	57,340,227	47,298,642
Other joint stock companies	107,302,417	101,113,291
Partnership companies	10,815,715	10,293,399
Private companies	2,912,840	2,527,779
Foreign invested enterprises	116,263,061	107,368,822
Cooperatives, cooperative unions	513,389	640,972
Household businesses, individuals	721,872,561	621,134,929
Administrative units, the Party, unions and associations	62,125,812	53,361,235
Others	41,456,529	35,715,338
	1,410,899,038	1,249,176,034

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

	Closing balance	Opening balance
	VND Million	VND Million
Grants, trusted funds and borrowings in VND	450,857	505,248
Grants, trusted funds and borrowings in foreign currencies	1,786,922	1,886,953
	2,237,779	2,392,201

21. VALUABLE PAPERS ISSUED

	Closing balance	Opening balance
	VND Million	VND Million
Valuable papers in VND	115,375,611	91,370,235
Par value	115,375,611	91,370,235
Valuable papers in foreign currencies	116	184
Par value	116	184
	115,375,727	91,370,419

Details of the term of issued valuable papers:

	Bill	Bearer bonds	Book-entry bonds	Certificate of deposit	Total
	VND Million	VND Million	VND Million	VND Million	VND Million
Closing balance					
Under 12 months	153	-	-	68,919,684	68,919,837
- VND	153	-	-	68,919,684	68,919,837
From 12 months to under 5 years	-	166	-	4,432,989	4,433,155
- VND	-	166	-	4,432,873	4,433,039
- Foreign currency	-	-	-	116	116
Over 5 years	-	-	42,022,735	-	42,022,735
- VND	-	-	42,022,735	-	42,022,735
	153	166	42,022,735	73,352,673	115,375,727
Opening balance					
Under 12 months	197	-	-	43,000,000	43,000,197
- VND	197	-	-	43,000,000	43,000,197
From 12 months to under 5 years	-	166	-	12,043,826	12,043,992
- VND	-	166	-	12,043,642	12,043,808
- Foreign currency	-	-	-	184	184
Over 5 years	-	-	36,326,230	-	36,326,230
- VND	-	-	36,326,230	-	36,326,230
	197	166	36,326,230	55,043,826	91,370,419

22. OTHER PAYABLES AND LIABILITIES

	Closing balance	Opening balance (Restated)
	VND Million	VND Million
Internal payables	3,723,716	2,524,770
External payables (i)	15,515,215	15,598,638
Bonus and welfare funds	2,897,937	2,596,791
	22,136,868	20,720,199

(i) Details of external payables are as follows:

	Closing balance VND Million	Opening balance (Restated) VND Million
Payments/receipts on behalf of other organisations	1,168,189	3,896,715
Amount due to customers and deferred payment	94,028	84,460
Corporate income tax payables	3,119,682	2,959,719
Other pending payments	3,048,330	1,163,971
Unearned revenue	4,798,048	5,490,441
Other payables relating to securities activities	832,766	362,994
Other tax payables	471,316	470,346
Payables relating to trade finance activities	5,999	6,000
Interbank payables	544,755	805,824
Money transfer payables	374,730	224,454
Payables relating to debt trading (*)	979,510	64,488
Other payables	77,862	69,226
	15,515,215	15,598,638

(*) Represents prepayments of partners related to debt selling activities. At the reporting date, the parties are in the process of transferring ownership and obligations for the debts sold.

23. THE BANK'S OBLIGATIONS TO THE STATE BUDGET

	Movements in the year			
	Opening balance (Restated) VND Million	Payable		
		Paid VND Million	Closing balance VND Million	
a. Tax receivables				
Value added tax	-	-	3,077	3,077
Corporate income tax	2,344	2,322	879	901
Other taxes	-	-	-	-
	2,344	2,322	3,956	3,978
b. Tax payables				
Value added tax	277,177	867,720	767,877	377,020
Corporate income tax	2,959,719	4,949,526	4,789,563	3,119,682
Other taxes	193,169	1,179,073	1,277,946	94,296
	3,430,065	6,996,319	6,835,386	3,590,998

24. CAPITAL AND RESERVES

24.1. Statement of changes in owners' equity

	Investment										Non-controlling interests
	Charter capital	Share premium	Other capitals	Foreign exchange reserves	and development fund	Financial reserve	supplementary reserve	Retained earnings			
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	Total
Prior year's opening balance	48,057,506	8,974,698	515,908	245,231	70,571	9,026,298	4,576,396	21,488,131	694,772	93,649,511	
Profit after tax for the year	-	-	-	-	-	-	-	16,923,725	59,920	16,983,645	
Transfer from reserves to other capital	-	-	64,390	-	-	(42,815)	(42,815)	-	-	-	(21,240)
(Decrease) due to financial statements translation for consolidation purpose	-	-	-	(124,238)	(7,038)	(15,503)	-	-	-	-	(146,779)
Adjustment of the appropriation to reserves of previous years	-	-	-	-	-	2,286	1,143	(3,429)	-	-	-
Appropriation to reserves during the year	-	-	-	-	12,292	1,658,416	835,465	(2,506,173)	-	-	-
Dividends declared	-	-	255,734	-	-	-	-	(255,734)	-	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	(2,026,477)	(15,238)	(2,041,715)	
Others	-	(21)	-	-	-	-	(64)	(107,022)	(7)	(107,114)	
Current year's opening balance (Restated)	48,057,506	8,974,677	836,032	120,993	75,825	10,628,682	5,370,125	33,513,021	739,447	108,316,308	
Capital increase from dividends distribution (Note 24.4)	5,642,411	-	-	-	-	-	-	(5,642,411)	-	-	-
Profit for the year	-	-	-	-	-	-	-	19,903,550	141,072	20,076,622	
(Decrease) due to financial statements translation for consolidation purpose	-	-	-	(34,023)	(2,275)	(4,763)	-	(18,018)	-	(59,079)	
Adjustments of the appropriation to reserves of previous years (*)	-	-	-	-	-	6,250	3,126	(9,376)	-	-	-
Appropriation to reserves during the year (*)	-	-	-	-	20,009	1,958,669	987,928	(2,966,605)	-	-	-
Appropriation to bonus and welfare fund (*)	-	-	-	-	-	-	-	(2,409,538)	(19,299)	(2,428,837)	
Others	-	-	-	-	-	-	-	(1,194)	-	(1,194)	
Closing balance	53,699,917	8,974,677	836,032	86,970	93,558	12,588,838	6,361,179	42,369,429	861,220	125,871,820	

(*) According to Resolution No. 26/NQ-DHCD dated 21 April 2023, the Bank has appropriated statutory funds and bonus and welfare funds from retained earnings in 2022. According to Resolution No. 034/NQ-HDQT-NHCT-VPDQT1 ("Resolution No. 034") dated 23 February 2024 of the Board of Directors, the Bank has adjusted for statutory funds, bonus and welfare funds from retained earnings of the year 2022 after adjustment according to the audit results of the State Audit.

24.2. Details of the Bank's shares

	Closing balance		Opening balance	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
	VND Million	VND Million	VND Million	VND Million
Capital of Government	34,616,763	-	30,979,325	-
Contributed capital (shareholders, members)	19,083,154	-	17,078,181	-
Share premium	8,974,677	-	8,974,677	-
	62,674,594	-	57,032,183	-

24.3. Details of the Bank's shares

	Closing balance	Opening balance
Number of registered shares for issue (unit)	5,369,991,748	4,805,750,609
Number of shares in circulation (unit)	5,369,991,748	4,805,750,609
- <i>Ordinary shares (unit)</i>	<i>5,369,991,748</i>	<i>4,805,750,609</i>
Par value of share in circulation (VND)	10,000	10,000

24.4. Dividends

According to Resolution No. 291/NQ-HDQT-NHCT-VPHDQT1 dated 28 August 2023, the Bank's Board of Directors decided to issue shares to pay dividends from after-tax profits at a ratio of 100:11.7415. On 14 December 2023, the Bank completed the issuance of shares to pay dividends, accordingly, the total number of additional shares issued was 564,241,139 shares, equivalent to a total additional capital of VND 5,642,411 million. On 4 January 2024, the Bank completed the additional listing of these shares.

25. INTEREST AND SIMILAR INCOME

	Current year	Prior year
	VND Million	VND Million
Interest from deposits	4,198,071	3,059,911
Interest from loans to customers	117,727,919	92,897,289
Interest from debt securities	8,028,531	6,810,416
Income from guarantee services	1,351,989	873,429
Interest income from finance leases	553,980	372,923
Other income from credit activities	811,247	650,666
	132,671,737	104,664,634

26. INTEREST AND SIMILAR EXPENSES

	Current year	Prior year
	VND Million	VND Million
Interest expenses on deposits	68,832,836	48,089,159
Interest expenses on borrowings	3,377,151	3,147,687
Interest expenses on valuable papers issued	6,731,245	3,786,570
Expenses on other credit activities	773,027	1,849,263
	79,714,259	56,872,679

27. NET GAIN FROM SERVICES

	Current year VND Million	Prior year VND Million
Income from services	12,384,836	11,549,069
Income from remittance services	4,023,949	3,835,873
Income from consulting, trust and agency services	920,274	753,493
Income from insurance services	2,834,302	3,213,741
Others	4,606,311	3,745,962
Expenses for services	(5,271,107)	(5,687,120)
Expense for remittance services	(2,951,804)	(2,700,073)
Expense for consulting, trust and agency services	(193,429)	(324,694)
Expense for insurance services	(1,400,051)	(2,005,887)
Others	(725,823)	(656,466)
Net gain from services	7,113,729	5,861,949

28. NET GAIN FROM FOREIGN CURRENCY TRADING

	Current year VND Million	Prior year VND Million
Income from trading foreign currencies	10,198,100	8,541,178
Income from spot trading foreign currencies	3,020,271	2,603,567
Income from trading gold	1,399,596	1,317,933
Income from trading currency derivative financial instruments	5,778,233	4,619,678
Expenses for trading foreign currencies	(5,949,991)	(4,985,657)
Expense for spot trading foreign currencies	(414,920)	(484,448)
Expense for trading gold	(1,390,053)	(1,313,509)
Expense for trading currency derivative financial instruments	(4,145,018)	(3,187,700)
Net gain from trading foreign currencies	4,248,109	3,555,521

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

29.1. Net gain/(loss) from trading securities

	Current year VND Million	Prior year VND Million
Income from trading securities	275,667	122,938
(Expense) for trading securities	(11,600)	(65,815)
Provision reversed/(made) for impairment of trading securities	28,559	(169,286)
Net gain/(loss) from trading securities	292,626	(112,163)

29.2. Net gain/(loss) from investment securities

	Current year	Prior year
	VND Million	VND Million
Income from trading investment securities	29,258	28,990
(Expense) for trading investment securities	(2,396)	(115,969)
Provision (made)/reversed for impairment of investment securities	(180,983)	56,795
Net (loss) from trading investment securities	(154,121)	(30,184)

30. NET GAIN FROM OTHER ACTIVITIES

	Current year	Prior year (Restated)
	VND Million	VND Million
Other operating income	7,080,218	7,507,011
Income from recovery of bad debts	4,671,302	5,362,486
Income from transfer, disposals of assets	10,472	16,841
Income from other derivatives	1,222,853	838,171
Other income	1,175,591	1,289,513
Other operating expenses	(1,277,142)	(969,157)
Expense for trading other derivatives	(869,686)	(407,916)
Expense for transfer, disposals of assets	(2,591)	(2,178)
Other expenses	(404,865)	(559,063)
Net profit from other activities	5,803,076	6,537,854

31. INCOME FROM CAPITAL CONTRIBUTION, EQUITY INVESTMENTS

	Current year	Prior year
	VND Million	VND Million
Dividends received in cash from capital contribution, equity investments	92,337	87,736
- <i>From equity investment securities</i>	31,436	14,648
- <i>From capital contribution and long-term investments</i>	60,901	73,088
Share from net profit under equity method of investments in joint ventures	194,931	424,508
	287,268	512,244

32. OPERATING EXPENSES

	Current year	Prior year (Restated)
	VND Million	VND Million
Taxes, fees and charges	24,877	220,397
Staff cost	11,636,246	11,086,985
- Salaries and allowances	9,977,295	9,213,531
- Salary-based expenses	612,665	592,476
- Other allowances	2,732	2,115
- Other expenses	1,043,554	1,278,863
Expenses for fixed assets	2,715,410	2,691,964
- Depreciation and amortisation expenses	999,288	960,387
- Others	1,716,122	1,731,577
Expenses for operating management	4,909,040	4,226,915
- Per diems	216,960	179,660
- Expenses for union activities	25,821	18,646
- Others	4,666,259	4,028,609
Insurance premium for customers' deposits	985,905	880,010
Expense for provision (excluding provision expenses for credit risks, provision for securities)	172,021	88,443
	20,443,499	19,194,714

33. CORPORATE INCOME TAX EXPENSE ("CIT")

	Current year	Prior year (Restated)
	VND Million	VND Million
Profit before corporate income tax	24,989,525	21,131,873
<i>Adjustments for:</i>		
- Non-taxable dividend income	(451,972)	(421,947)
- Profit before tax of subsidiaries	(864,653)	(592,710)
- Income from increase in interest in joint ventures	164,703	(90,298)
- Change in provision/revaluation for loans and bonds for consolidation purpose	(295,342)	(71,508)
- Others	144,791	98,777
Taxable income of the Holding Bank	23,687,052	20,054,187
CIT expense of the Holding Bank based on local taxable income	4,737,411	4,010,837
CIT expense of subsidiaries	207,433	136,940
CIT expense based on the taxable income	4,944,844	4,147,777

34. BASIC EARNINGS PER SHARE

Profit for calculation of basic earnings per share

	Current year	Prior year (Restated)	Prior year (Previously reported)
	VND Million	VND Million	VND Million
Profit after corporate income tax	19,903,550	16,923,725	16,775,074
Appropriation to bonus and welfare fund (*)	-	(2,409,538)	-
Profit for the year attributable to equity holder	19,903,550	14,514,187	16,775,074

(*) The prior year's appropriation to bonus and welfare funds is restated according to actual amount in the Resolution of the Board of Directors of the Bank and its subsidiaries in 2023 and before publishing audited consolidated financial reporting for financial year ended 31 December 2023.

As at the date of the consolidated financial statements, the Bank and its subsidiaries have not yet estimated the appropriation to bonus and welfare funds for the financial year ended 31 December 2023. Therefore, the basic earnings per share is estimated not taking into consideration the appropriation to 2023 bonus and welfare funds. An actual appropriation to bonus and welfare funds for the financial year ended 31 December 2023 will be approved by General Annual Meeting for the year 2024. Therefore, there may be a difference in the basic earnings per share in comparison to the above presented figures.

Number of ordinary shares for calculation of basic earnings

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

(**) According to Resolution No. 291/NQ-HDQT-NHCT-VPHDQT1 dated 28 August 2023, the Board of Directors of the Bank decided to issue shares to pay dividends at the rate of 100:11.7415 from profit after tax. On 14 December 2023, the Bank completed the share issuance of 564,241,139 to pay dividends, equivalent to a total additional capital of 5,642,411 million (see Note 24.4)

Basic earnings per share

	Current year VND	Prior year (Restated) VND	Prior year (Previously reported) VND
Basic earnings per share	3,706	2,703	3,491

35. CASH AND CASH EQUIVALENTS

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

	Closing balance VND Million	Opening balance VND Million
Cash, gold, gemstones and cash equivalents	9,759,580	11,066,956
Balances with SBV	40,597,059	29,727,110
Current deposits at other credit institutions	188,427,117	131,699,995
Placements with other credit institutions with terms not exceeding 3 months	33,317,112	63,804,159
Securities with recovery or maturity term not exceeding 3 months from the date of purchase	202,739	8,000,000
	272,303,607	44,298,220

36. EMPLOYEE'S INCOME

	Current year	Prior year
I. Total number of employees (person)	24,595	24,830
II. Employees' income (million VND)		
1. Total salary fund	9,977,295	9,213,531
2. Other allowances	195,135	194,123
3. Total income (1+2)	10,172,430	9,407,654
4. Average monthly salary	33.81	30.92
5. Average monthly income	34.47	31.57

37. COLLATERALS AND MORTGAGES

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

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

	Closing balance	Opening balance
	VND Million	VND Million
Real estate	2,044,973,470	1,713,898,597
Movable assets	69,466,335	66,771,051
Deposits, gold, precious metals, gemstones, valuable papers	233,490,980	164,281,284
Other assets	663,513,407	557,747,754
	3,011,444,192	2,502,698,686

As at 31 December 2023, the Bank did not hold any collateral which the Bank is permitted to sell or re-pledge to a third party in case the customer (owner of the collaterals) is able to pay off the debt according to the law.

38. TRUST AND AGENCY ACTIVITIES FOR CREDIT INSTITUTIONS

	Closing balance	Opening balance
	VND Million	VND Million
Lending from trusted sources without risk	14,206	15,424
Correspondent banking services	7,589,698	6,040,960
	7,603,904	6,056,384

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

	Closing balance	Opening balance
	VND Million	VND Million
	(Restated)	
Contingent liabilities	166,973,823	159,586,808
Credit guarantees	8,785,288	7,692,271
Letters of Credit (L/C) commitments	55,986,789	73,681,359
Other guarantees	102,201,746	78,213,178
Commitments	794,940,617	313,461,082
Foreign exchange transaction commitments	726,235,823	260,355,738
Other commitments	68,704,794	53,105,344
	961,914,440	473,047,890

40. UNCOLLECTED INTEREST INCOME AND FEES

	Closing balance	Opening balance (Restated)
	VND Million	VND Million
Uncollected loan interest	9,045,553	7,985,019
Uncollected interest from securities	452,153	282,858
Uncollected fees	111,545	86,017
	<u>9,609,251</u>	<u>8,353,894</u>

41. BAD DEBTS WRITTEN-OFF

	Closing balance	Opening balance (Restated)
	VND Million	VND Million
Principals of written off bad debts under observation	83,201,615	62,350,407
Interests of written off bad debts under observation	64,418,730	54,578,623
Other written off bad debts	10,127	1,362
	<u>147,630,472</u>	<u>116,930,392</u>

42. OTHER PROPERTIES AND VALUABLE PAPERS

	Closing balance	Opening balance (Restated)
	VND Million	VND Million
Gold, gemstones in custody	47,734	50,029
Other assets in custody	8,503,445	6,063,559
Outsourced assets	11,590,006	11,023,860
Other valuable papers in custody	71,514,898	84,640,576
	<u>91,656,083</u>	<u>101,778,024</u>

43. RELATED PARTY BALANCES AND TRANSACTIONS

Details of significant transactions with related parties during the year ended 31 December 2023 are as follows:

Related parties	Relationship	Transactions	Current year	Prior year
			VND Million	VND Million
The State Bank of Vietnam	Direct owner and management agency	Increase in deposits at the SBV (Decrease)/Increase in borrowings from the SBV	10,869,949	6,343,667
Indovina Bank Limited	Joint venture	Dividends received	359,634	334,211
		Interest income from deposits	23,886	3,278
		Interest expenses of deposits	54	110
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Interest income from deposits	79	131
		Interest expenses of deposits	2,421	4,919
		Interest expenses of borrowings	184,044	229,011

Details of significant balances with related parties as at 31 December 2023 are as follows:

Related party	Relationship	Balance	Receivables/(Payables)	
			Closing balance VND Million	Opening balance VND Million
The State Bank of Vietnam	Direct owner and management agency	Deposits at the SBV	40,597,059	29,727,110
		Borrowings from the SBV	(766,887)	(1,736,629)
Indovina Bank Limited	Joint venture	Deposits at the Bank	483	1,025,483
		Deposits of the Bank	(22,098)	(124,277)
		Accrued interest income	-	230
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Deposits of the Bank	196,921	212,265
		Deposits at the Bank	(180,918)	(59,918)
		Borrowings of the Bank	(714,097,824)	(8,197,594)
		Accrued interest expenses	(3,051)	(90,586)

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

Name	Title	Current year VND Million	Prior year
			VND Million
BOARD OF DIRECTORS			
Mr. Tran Minh Binh	Chairman	15,746	15,391
Ms. Nguyen Thi Bac	Independent Member	2,485	2,461
Mr. Nguyen Duc Thanh	Member	1,800	1,800
Ms. Tran Thu Huyen	Member	2,064	1,987
Mr. Nguyen The Huan	Member	2,175	2,124
Ms. Pham Thi Thanh Hoai	Member	1,869	1,826
Mr. Tran Van Tan	Member	1,631	1,593
Mr. Le Thanh Tung	Member	1,650	1,621
Member nominated by MUFJ partner (*)	Member	1,631	1,593
		441	386
Board of Supervisors			
Ms. Le Anh Ha	Chief Supervisor	3,855	3,678
Ms. Nguyen Thi Anh Thu	Member	1,626	1,589
Ms. Pham Thi Thom	Member	1,264	1,174
		965	915

(*) Member nominated by MUFJ partner includes:

Name	Title	Appointment/Resignation Date
Mr. Masashige Nakazono	Member	
Mr. Koji Iriguchi	Member	Appointed on 02 June 2023
Mr. Masahiko Oki	Member	Resigned on 02 June 2023

Name	Title	Appointment/ Resignation Date	Current year		Prior year
			VND Million	VND Million	
BOARD OF MANAGEMENT					
Mr. Do Thanh Son	Deputy General Director in charge of the Board of Management	In charge of the Board of Management from 01 September 2023	12,812		11,533
Mr. Nguyen Hoang Dung	Deputy General Director in charge of the Board of Management	Resigned from 01 September 2023	2,033		420
Mr. Hoang Ngoc Phuong	Deputy General Director	Resigned from 28 March 2024	1,645		2,368
Mr. Nguyen Tran Manh Trung	Deputy General Director		1,678		982
Mr. Le Duy Hai	Deputy General Director		1,789		1,166
Mr. Tran Cong Quynh Lan	Deputy General Director		1,654		1,067
Mr. Nguyen Dinh Vinh	Deputy General Director		2,236		2,262
Ms. Le Nhu Hoa	Deputy General Director		1,977		1,921
Mr. Nguyen Hai Hung	Chief Accountant		1,832		1,768
			1,927		1,869

44. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE-SHEET ITEMS BY GEOGRAPHICAL REGIONS AS AT 31 DECEMBER 2023

	Total loan balance	Total deposits	Credit commitments	Trading and investment securities	
				Derivatives (Difference between debit - credit)	(Difference between debit - credit)
	VND Million	VND Million	VND Million	VND Million	VND Million
Domestic	1,484,897,298	1,686,836,536	166,841,066	(555,946)	184,136,602
Overseas	9,058,888	5,002,466	132,757	-	-
	1,493,956,186	1,691,839,002	166,973,823	(555,946)	184,136,602

45. SEGMENT REPORTS

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

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

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

Business segment report

NO.	ITEMS	Banking financial	Non-banking	Others	Off-set	Total
		services VND Million	financial services VND Million			
I.	Income	157,500,411	4,093,296	2,387,205	(1,053,828)	162,927,084
1.	Interest income	131,366,872	993,874	533,458	(222,467)	132,671,737
	- <i>External interest income</i>	131,185,790	953,586	532,362	(1)	132,671,737
	- <i>Internal interest income</i>	181,082	40,288	1,096	(222,466)	-
2.	Income from services	9,621,571	3,085,003	121,932	(443,670)	12,384,836
3.	Other income	16,511,968	14,419	1,731,815	(387,691)	17,870,511
II.	Expenses	(108,012,191)	(3,443,755)	(2,047,891)	681,419	(112,822,418)
1.	Interest expenses	(79,325,504)	(303,458)	(307,764)	222,467	(79,714,259)
	- <i>External interest expenses</i>	(79,263,176)	(143,320)	(307,764)	1	(79,714,259)
	- <i>Internal interest expenses</i>	(62,328)	(160,138)	-	222,466	-
2.	Depreciation and amortisation expenses	(979,693)	(12,931)	(6,664)	-	(999,288)
3.	Expenses directly related to operating business	(27,706,994)	(3,127,366)	(1,733,463)	458,952	(32,108,871)
Net profit from operating activities before provision expenses for credit losses		49,488,220	649,541	339,314	(372,409)	50,104,666
Provision expenses for credit losses		(24,999,529)	(120,043)	(9,500)	13,931	(25,115,141)
Segment profit before tax		24,488,691	529,498	329,814	(358,478)	24,989,525
Current corporate income tax expense		(4,758,976)	(120,573)	(65,294)	(1)	(4,944,844)
Deferred corporate income tax expense		-	(59)	-	-	(59)
Segment profit after corporate income tax		19,729,715	408,866	264,520	(358,479)	20,044,622
III.	Assets	2,017,567,233	13,847,700	8,463,678	(7,265,005)	2,032,613,606
1.	Cash on hand	9,698,230	1,461	59,889	-	9,759,580
2.	Fixed assets	9,975,822	80,907	68,805	-	10,125,534
3.	Other assets	1,997,893,181	13,765,332	8,334,984	(7,265,005)	2,012,728,492
IV.	Liabilities	1,894,473,752	10,301,285	6,501,611	(4,534,862)	1,906,741,786
1.	External liabilities	1,888,068,751	10,123,791	6,462,544	(4,534,953)	1,900,120,133
2.	Internal liabilities	6,405,001	177,494	39,067	91	6,621,653

Geographical segment report

NO.	ITEMS	Northern (*)	Southern	Others	Off-set	Total
		VND Million	VND Million	VND Million	VND Million	VND Million
I.	Segment profit before tax	15,202,009	6,457,382	3,688,615	(358,481)	24,989,525
	Current corporate income tax expense	(4,925,432)	(6,000)	(13,412)	-	(4,944,844)
	Deferred corporate income tax expense	(59)	-	-	-	(59)
	Segment profit after corporate income tax	10,276,518	6,451,382	3,675,203	(358,481)	20,044,622
III.	Segment assets	1,221,953,761	596,702,218	221,222,632	(7,265,005)	2,032,613,606
IV.	Segment liabilities	1,104,651,158	590,121,900	216,503,587	(4,534,859)	1,906,741,786

(*) As at 31 December 2023, the Head Office in Northern region calculated and paid corporate income tax for all Bank's branches.

46. FINANCIAL RISK MANAGEMENT POLICIES RELATED TO FINANCIAL INSTRUMENTS

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

In order to achieve sustainable development, improve operational efficiency and competitive advantage, the Bank has always been one of the pioneers in researching and applying international practices to its governance. In particular, the Bank met requirement of SBV in accordance with Basel II with the standards of risk management, capital management, proving information focus on internal method and comprehensive enhancing according to Basel II. In addition, the Bank also research to preliminarily assess to preparing for launching Basel III when having guidelines from SBV. Until now, the Bank has completed the first phase following standard methods and is preparing for the second phase following the SBV's direction. 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 2023, 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 regulatory authorities and regulations of the SBV; and has gradually met requirements for risk management.

47. CURRENCY RISKS

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

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

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

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

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

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

The book value of cash assets and cash liabilities denominated in foreign currencies as at 31 December 2023 are as follows:

ITEMS	EUR equivalent VND Million	USD equivalent VND Million	Gold equivalents VND Million	Other currencies equivalent
				VND Million
Assets				
Cash, gold and gemstones	162,987	805,373	37,737	192,515
Balances with the State Bank of Vietnam	90,572	4,745,353	-	-
Placements with and loans to other credit institutions	1,258,627	62,354,705	-	96,229,008
Derivative financial instruments and other financial assets	-	9,130,085	-	7,399
Loans to customers (*)	1,846,092	93,015,615	-	2,896,827
Fixed assets	32,308	-	-	80,384
Other assets (*)	2,812,189	16,538,679	-	691,048
Total assets	6,202,775	186,589,810	37,737	100,097,181
Liabilities				
Deposits and borrowings from other credit institutions	1,465,143	64,617,772	-	75,172,682
Deposits from customers	2,478,806	75,048,141	-	2,588,714
Derivative financial instruments and other financial liabilities	966,977	34,501,058	-	20,668,070
Grants, trusted funds and borrowings where the Bank bears risks	133,978	1,579,163	-	73,780
Valuable papers issued	-	116	-	-
Other liabilities (*)	957,123	1,120,822	-	291,398
Total liabilities	6,002,027	176,867,072	-	98,794,644
Balance sheet currency position	200,748	9,722,738	37,737	1,302,537

(*) Excluding provision.

48. INTEREST RATE RISK

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

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

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

- Cash, gold, gemstones; balances with the SBV; fixed assets; capital contribution, long-term investments and other liabilities are classified as non-interest-bearing items;
- The maturity of trading securities is calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds with fixed interest rates;
- The re-pricing term of placements with and loans to other credit institutions; derivative financial instruments and other financial assets; investment securities; loans to customers; other assets; borrowings from the Government and the SBV; deposits and borrowings from other credit institutions; deposits from customers; valuable papers issued; grants, trusted funds and borrowings where the Bank bears risks are determined as follows:
 - Items with fixed interest rate during the contractual period: the re-pricing term for effective interest rate 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 asset-liability management, the Bank will make appropriate investment decisions. In case that interest rates are forecasted to go down, the Bank will strengthen long-term investments to increase profitability. In contrast, if interest rates are forecasted to go up, the Bank will increase short-term investments.

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

KI
DE
VI
TONG

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 operational 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, in which the former is more focused.

Interest rate risk management at the portfolio level

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

Interest rate risk management at the transaction level

- All credit contracts are required to include terms relating to interest rate risk prevention to ensure that the Bank can take initiative in coping with fluctuations of the market; lending interest rate must be set to accurately reflect the Bank's actual cost of capital.
- Management through the Fund Transfer Pricing (FTP) 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 change the interest rate spread for each type of customers or products, etc., giving signals to the business units to determine their lending/capital mobilization rates.

	Overdue			Current						Total
	Non - interest bearing	Over 3 months	Within 3 months	Within 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	Over 5 years	
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	
Assets										
Cash, gold and gemstones	9,759,580	-	-	-	-	-	-	-	-	9,759,580
Balances with the State Bank of Vietnam	40,597,059	-	-	-	-	-	-	-	-	40,597,059
Placements with and loans to other credit institutions	-	-	-	229,753,174	12,065,448	27,150,284	10,872,733	-	-	279,841,639
Trading securities (*)	-	-	-	2,676,130	-	-	-	-	-	2,676,130
Loans to customers (*)	-	16,608,332	22,829,070	495,989,123	339,698,198	422,439,081	142,169,202	32,294,583	1,316,975	1,473,344,564
Investment securities (*)	4,474,454	-	-	4,795,694	23,098,083	38,169,679	31,921,302	6,184,649	72,816,611	181,460,472
Capital contribution, long-term investments (*)	3,440,914	-	-	-	-	-	-	-	-	3,440,914
Fixed assets	10,125,534	-	-	-	-	-	-	-	-	10,125,534
Other assets (*)	33,484,751	106,697	-	4,378,223	13,093,754	4,796,168	3,840,336	-	-	59,699,929
Total assets	101,882,292	16,715,029	22,829,070	737,592,344	387,955,483	492,555,212	188,803,573	38,479,232	74,133,586	2,060,945,821
Liabilities										
Borrowings from the Government and the SBV	-	-	-	21,054,176	-	376,423	383,506	-	-	21,814,105
Deposits and borrowings from other credit institutions	-	-	-	267,249,732	28,498,449	4,761,202	3,812,338	-	-	304,321,721
Deposits from customers	-	-	-	617,358,784	268,755,347	239,690,608	233,790,505	51,300,152	3,642	1,410,899,038
Derivative financial instruments and other financial liabilities	-	-	-	555,946	-	-	-	-	-	555,946
Grants, trusted funds and borrowings where the Bank bears risks	-	-	-	-	1,600,931	636,848	-	-	-	2,237,779
Valuable papers issued	-	-	-	1,119,448	23,132,670	33,149,600	51,831,459	1,252,550	4,890,000	115,375,727
Other liabilities (*)	50,136,226	-	-	907,338,086	321,987,397	278,614,681	289,817,808	52,552,702	4,893,642	1,905,340,542
Balance sheet net interest gap	51,746,066	16,715,029	22,829,070	(169,745,742)	65,968,086	213,940,531	(101,014,235)	(14,073,470)	69,239,944	155,605,279

(*) Excluding provision

49. LIQUIDITY RISK

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

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

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

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

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

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

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

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

The amount of available capital 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.

VIETNAM JOINT STOCK COMMERCIAL BANK FOR INDUSTRY AND TRADE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B05/TCTD-HN

	Overdue		Current						Total
	Over 03 months	Within 03 months	Within 01 month	From 01 to 03 months	From 03 to 12 months	From 01 to 05 years	Over 05 years		
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million		
Assets									
Cash, gold and gemstones	-	-	9,759,580	-	-	-	-	-	9,759,580
Balances with the State Bank of Vietnam	-	-	40,597,059	-	-	-	-	-	40,597,059
Placements with and loans to other credit institutions	-	-	229,753,174	12,065,448	38,023,017	-	-	-	279,841,639
Trading securities (*)	-	-	2,676,130	-	-	-	-	-	2,676,130
Loans to customers (*)	16,608,332	22,829,070	108,585,213	316,431,393	592,613,078	188,723,903	227,553,575	1,473,344,564	
Investment securities (*)	-	-	8,885,946	23,098,083	70,090,981	6,184,649	73,200,813	181,460,472	
Capital contribution, long-term investments (*)	-	-	-	-	-	-	3,440,914	3,440,914	
Fixed assets	-	-	-	-	-	-	10,125,534	10,125,534	
Other assets (*)	106,697	-	6,953,194	18,041,728	16,773,608	1,942,848	15,881,854	59,699,929	
Total assets	16,715,029	22,829,070	407,210,296	369,636,652	717,500,684	196,851,400	330,202,690	2,060,945,821	
Liabilities									
Borrowings from the Government and the SBV	-	-	21,054,176	-	759,929	-	-	-	21,814,105
Deposits and borrowings from other credit institutions	-	-	267,249,732	17,251,682	19,820,307	-	-	-	304,321,721
Deposits from customers	-	-	196,877,460	275,019,457	597,576,235	341,408,009	17,877	1,410,899,038	
Derivative financial instruments and other financial liabilities	-	-	555,946	-	-	-	-	-	555,946
Grants, trusted funds and borrowings where the Bank bears risks	-	-	140,229	40,994	45,008	368,605	1,642,943	2,237,779	
Valuable papers issued	-	-	1,119,448	23,132,670	49,098,329	452,550	41,572,730	115,375,727	
Other liabilities (*)	-	-	20,511,647	17,628,699	9,743,913	2,251,967	-	50,136,226	
Total liabilities	-	-	507,508,638	333,073,502	677,043,721	344,481,131	43,233,550	1,905,340,542	
Net liquidity difference	16,715,029	22,829,070	(100,298,342)	36,563,150	40,456,963	(147,629,731)	286,969,140	155,605,279	

(*) Excluding provision.

50. CREDIT RISK

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

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

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

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

Maximum exposures to credit risk irrespective of collateral or their credit enhancement for each asset class equal to the carrying amount (excluding provision) of that asset class on the consolidated financial statement at 31 December 2023 which are presented as follows:

	Undue and unimpaired	Overdue and unimpaired	Impaired and made provision	Total VND Million
	VND Million	VND Million	VND Million	
Placements with and loans to other credit institutions	279,841,639	-	-	279,841,639
- <i>Placements with other credit institutions</i>	259,230,017	-	-	259,230,017
- <i>Loans to other credit institutions</i>	20,611,622	-	-	20,611,622
Loans to customers	1,417,769,380	761,586	54,813,598	1,473,344,564
Investment securities	180,881,312	-	579,160	181,460,472
- <i>Available-for-sale investment securities</i>	180,481,312	-	114,161	180,595,473
- <i>Held-to-maturity investment securities</i>	400,000	-	464,999	864,999
Total	1,878,492,331	761,586	55,392,758	1,934,646,675

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

	Closing balance	Opening balance
	VND	VND
USD	24,255	23,543
EUR	26,796	25,093
GBP	30,843	28,335
CHF	28,822	25,207
JPY	171.19	178.51
SGD	18,369	17,550
CAD	18,306	17,381
AUD	16,519	16,170
NZD	15,329	14,914
THB	706.53	669.17
SEK	2,421	2,255
NOK	2,390	2,355
DKK	3,595	3,375
HKD	3,105	3,019
CNY	3,411	3,390
KRW	18.65	16.91
LAK	1.19	1.37
MYR	5,329	5,329

52. SUBSEQUENT EVENTS

On 23 February 2024, the profit distribution plan, appropriation of statutory funds and annual bonus and welfare fund 2022 after adjusting according to conclusion No. 297/KTNN-TH dated 29 December 2023 of the State Audit, were approved according to the Resolution No. 034/NQ-HĐQT-NHCT-VPHDQT1 of the Bank's Board of Directors.

Except for above event, no events occurred after the reporting date that have a material effect on the operations of the Bank, its financial position and the results of those operations that require adjustment or disclosure in the consolidated financial statements.

53. COMPARATIVE FIGURES

The comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2022. Certain representations have been made to the prior year's figures in accordance with Minute No 297/KTNN-TH dated 29 December 2023 of State Audit for financial year ended 31 December 2022. Details are as follows:

Consolidated statement of financial position

Items	Opening balance (Previously reported)	Adjustments by State Audit	Opening balance (Restated)
	VND Million	VND Million	VND Million
Loans to customers	1,245,057,876	372,588	1,245,430,464
Loans to customers	1,274,821,709	21,985	1,274,843,694
Provisions for credit losses of loans to customers	(29,763,833)	350,603	(29,413,230)
Fixed assets	10,202,191	1,166	10,203,357
<i>Tangible fixed assets</i>	<i>6,047,480</i>	<i>373</i>	<i>6,047,853</i>
Cost	16,190,830	393	16,191,223
Accumulated depreciation	(10,143,350)	(20)	(10,143,370)
<i>Intangible assets</i>	<i>4,154,711</i>	<i>793</i>	<i>4,155,504</i>
Cost	6,779,297	-	6,779,297
Accumulated amortisation	(2,624,586)	793	(2,623,793)
Other assets	81,646,479	7,350	81,653,829
Other assets	3,314,998	7,350	3,322,348
TOTAL ASSETS	1,808,429,764	381,104	1,808,810,868
Other liabilities	43,114,308	232,453	43,346,761
Other payables and liabilities	20,487,746	232,453	20,720,199
TOTAL LIABILITIES	1,700,262,107	232,453	1,700,494,560
Capital and reserves	108,167,657	148,651	108,316,308
Retained earnings	33,364,370	148,651	33,513,021
TOTAL LIABILITIES AND OWNERS' EQUITY	1,808,429,764	381,104	1,808,810,868

Off-balance-sheet items

Items	Opening balance (Previously reported)	Adjustments by State Audit	Opening balance (Restated)
	VND Million	VND Million	VND Million
Other guarantees	78,231,151	(17,973)	78,213,178
Uncollected loan interest and fees	8,353,544	350	8,353,894
Bad debts written-off	116,947,615	(17,223)	116,930,392
Other properties and valuable papers	105,915,412	(4,137,388)	101,778,024

Consolidated income statement

Items	(Previously reported)	Prior year	Adjustments	Prior year
		VND Million	by State Audit	(Restated)
Other operating income	7,506,525	486	7,507,011	
Net profit from other activities	6,537,368	486	6,537,854	
Operating expenses	(19,007,454)	(187,260)	(19,194,714)	
Net profit from operating activities before credit provision expenses	45,109,236	(186,774)	44,922,462	
Provision expenses for credit losses	(24,163,177)	372,588	(23,790,589)	
Profit before tax	20,946,059	185,814	21,131,873	
Current corporate income tax expense	(4,110,614)	(37,163)	(4,147,777)	
Corporate income tax expense	(4,111,065)	(37,163)	(4,148,228)	
Profit after corporate income tax	16,834,994	148,651	16,983,645	
Profit attributable to shareholders of the Bank	16,775,074	148,651	16,923,725	

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
Deputy General Director

29 March 2024


