



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

AUDITED SEPARATE 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 separate financial reporting

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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 separate 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. Masashige 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 the separate 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)
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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 separate financial statements, which give a true and fair view of the separate financial position of the Bank as at 31 December 2023, and of its separate financial performance and its separate 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 separate financial reporting. In preparing these separate 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 separate financial statements;
- Prepare the separate 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 separate 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 separate financial position of the Bank, and that the separate financial statements comply with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to separate 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 separate financial statements.

For and on behalf of the Board of Management,



Nguyen Tran Manh Trung
Deputy General Director

Hanoi, 29 March 2024

No: 0810 /VN1A-HN-BC

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 separate 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 61, which comprise the separate statement of financial position as at 31 December 2023, the separate income statement and the separate 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 separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to separate financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the separate 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 separate 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 separate 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 separate financial statements present fairly, in all material respects, the separate financial position of the Bank as at 31 December 2023, and its separate financial performance and its separate 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 separate 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

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SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Unit: VND Million

NO. ITEMS	Notes	Closing balance	Opening balance (Restated)
A. ASSETS			
I. Cash	5	9,610,410	10,940,803
II. Balances with the State Bank of Vietnam ("SBV")	6	40,596,555	29,726,607
III. Placements with and loans to other credit institutions	7	276,784,594	241,389,033
1. Placements with other credit institutions		260,206,169	223,981,711
2. Loans to other credit institutions		16,578,425	17,407,322
IV. Trading securities	8	63,118	-
1. Trading securities		63,118	-
V. Derivative financial instruments and other financial assets	9	-	3,077,852
VI. Loans to customers		1,433,266,054	1,235,007,756
1. Loans to customers	10	1,460,764,608	1,264,198,628
2. Provisions for credit losses of loans to customers	11	(27,498,554)	(29,190,872)
VII. Investment securities	12	177,769,970	177,796,158
1. Available-for-sale investment securities	12.1	177,090,667	176,271,031
2. Held-to-maturity investment securities	12.2	786,778	1,586,778
3. Provisions for impairment of investment securities	12.4	(107,475)	(61,651)
VIII. Capital contribution, long-term investments	13	5,835,582	5,551,782
1. Investments in subsidiaries	13.1	4,123,832	3,840,032
2. Investments in joint-ventures	13.2	1,688,788	1,688,788
3. Other long-term investments		22,962	22,962
IX. Fixed assets		9,895,243	9,979,311
1. Tangible fixed assets	14	5,976,638	5,902,288
a. Cost		16,305,468	15,879,661
b. Accumulated depreciation		(10,328,830)	(9,977,373)
2. Intangible assets	15	3,918,605	4,077,023
a. Cost		6,665,612	6,642,707
b. Accumulated amortisation		(2,747,007)	(2,565,684)
X. Other assets	16	57,435,976	80,152,153
1. Other receivables	16.1	40,262,627	65,208,103
2. Interest and fee receivables		14,359,841	12,129,744
3. Other assets	16.2	2,892,664	2,844,640
4. Provisions for impairment of other balance sheet assets	16.3	(79,156)	(30,334)
TOTAL ASSETS		2,011,257,502	1,793,621,455

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

SEPARATE 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	295,337,817	203,706,765
1.	Deposits from other credit institutions	18.1	258,392,237	138,777,306
2.	Borrowings from other credit institutions	18.2	36,945,580	64,929,459
III.	Deposits from customers	19	1,409,417,688	1,247,162,170
IV.	Derivative financial instruments and other financial liabilities	9	552,633	-
V.	Grants, trusted funds and borrowings where the Bank bears risks	20	2,163,999	2,392,201
VI.	Valuable papers issued	21	115,375,727	91,370,419
VII.	Other liabilities		44,843,702	39,585,335
1.	Accrued fee and interest expenses		27,958,258	21,180,448
2.	Other payables and liabilities	22	16,885,444	18,404,887
	TOTAL LIABILITIES		1,889,505,671	1,688,996,192
VIII.	Capital and reserves	24	121,751,831	104,625,263
1.	Contributed capital		62,669,744	57,027,333
a.	<i>Charter capital</i>		53,699,917	48,057,506
b.	<i>Share premium</i>		8,969,827	8,969,827
2.	Reserves		18,618,137	15,690,243
3.	Retained earnings		40,463,950	31,907,687
	TOTAL LIABILITIES AND OWNERS' EQUITY		2,011,257,502	1,793,621,455

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

SEPARATE 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	38	8,785,288	7,692,271
2. Foreign exchange transactions commitments	38	725,754,038	258,304,665
<i>Foreign currency purchase commitments</i>		1,407,061	1,687,501
<i>Foreign currency sale commitments</i>		1,405,875	1,903,759
<i>Cross currency swap contracts</i>		722,941,102	254,713,405
3. Letters of credit (L/C) commitments	38	55,973,190	73,681,669
4. Other guarantees	38	102,183,064	78,183,982
5. Other commitments	38	68,704,794	52,300,321
6. Uncollected loan interest and fees	39	9,516,848	8,341,681
7. Bad debts written-off	40	147,183,994	116,463,270
8. Other properties and valuable papers	41	84,155,460	97,857,680

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 XÃ HỘI CHỦ NGHĨA
VIỆT NAM
PHÒNG KIỂM SÁM HÀM
PHỐ HOÀN KIẾM - TP. HÀ NỘI

Nguyen Tran Manh Trung
Deputy General Director

29 March 2024

SEPARATE 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	130,963,092	103,386,321
2. Interest and similar expenses	26	(79,194,658)	(56,536,426)
I. Net interest income		51,768,434	46,849,895
3. Income from services		9,506,879	8,381,799
4. Expenses on services		(3,598,992)	(3,359,322)
II. Net profit from services	27	5,907,887	5,022,477
III. Net gain from trading foreign currencies	28	4,262,766	3,580,681
IV. Net (loss) from trading securities	29.1	(4,460)	(39,764)
V. Net (loss) from investment securities	29.2	(18,962)	(38,103)
5. Other operating income		7,000,462	7,320,838
6. Other operating expenses		(1,168,796)	(897,863)
VI. Net profit from other activities	30	5,831,666	6,422,975
VII. Income from capital contribution, equity investments	31	627,606	540,491
VIII. Operating expenses	32	(19,188,990)	(18,076,282)
IX. Net profit from operating activities before credit provision expenses		49,185,947	44,262,370
X. Provision expenses for credit losses		(24,991,748)	(23,723,874)
XI. Profit before tax		24,194,199	20,538,496
7. Current corporate income tax expense	33	(4,737,411)	(4,010,837)
XII. Corporate income tax expense		(4,737,411)	(4,010,837)
XIII. Profit after corporate income tax		19,456,788	16,527,659

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

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

SEPARATE CASH FLOW STATEMENT

For the year ended 31 December 2023

Unit: VND Million

NO. ITEMS	Current year	Prior year
CASH FLOWS FROM OPERATING ACTIVITIES		
01. Interest and similar income received	128,756,848	101,180,811
02. Interest and similar expenses paid	(72,374,325)	(51,870,231)
03. Income received from services	5,762,682	4,804,326
04. Net cash received from trading foreign currencies and securities	4,285,168	3,437,428
05. Other income	405,969	4,427,962
06. Cash recovered from bad debts written off or compensated by provision for credit losses	4,607,782	5,324,932
07. Payments to employees and for operating management	(17,108,267)	(16,076,693)
08. Corporate income tax paid for the year	(4,623,873)	(1,731,025)
Net cash from operating profit before movements in assets and working capital	49,711,984	49,497,510
<i>Movements in operating assets</i>	<i>(213,016,363)</i>	<i>(219,102,598)</i>
09. (Increase) in placements with and loans to other credit institutions	(9,562,440)	(27,552,808)
10. (Increase)/Decrease in trading securities	(8,082,754)	7,014,008
11. Decrease/(Increase) in derivatives and other financial assets	3,077,852	(1,623,062)
12. (Increase) in loans to customers	(196,565,980)	(144,113,558)
13. (Decrease) in provisions for credit losses	(26,684,066)	(20,157,778)
14. Decrease/(Increase) in other operating assets	24,801,025	(32,669,400)
<i>Movements in operating liabilities</i>	<i>191,107,275</i>	<i>254,025,966</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	91,631,052	70,712,608
17. Increase in deposits from customers	162,255,518	87,400,967
18. Increase in issued valuable papers (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	(228,202)	(135,729)
20. Increase in derivatives and other financial liabilities	552,633	-
21. (Decrease) in other operating liabilities	(4,143,837)	(2,310,412)
I. Net cash generated by operating activities	27,802,896	84,420,878

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

SEPARATE CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2023

Unit: VND Million

NO. ITEMS	Current year	Prior year
CASH FLOWS FROM INVESTMENTING ACTIVITIES		
01. Acquisition of fixed assets	(781,738)	(538,526)
02. Proceeds from sales, disposal of fixed assets	10,303	16,828
03. Expenses on sales, disposal of fixed assets	(2,591)	(2,176)
04. Investments in other entities	(283,800)	-
05. Dividends and profit received from long-term investments and capital contribution	627,606	540,491
II. Net cash (used in)/generated by investing activities	(430,220)	16,617
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 and cash equivalents	27,372,676	80,592,895
V. Cash and cash equivalents at the beginning of the year	245,998,446	165,405,551
VI. Cash and cash equivalents at the end of the year (Note 34)	273,371,122	245,998,446

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



MSDN: 0100111948 - C.I.C.P.
NGÂN HÀNG
THƯƠNG MẠI CỔ PHẦN
CÔNG THƯỢNG
CỘ HỘI VIỆT NAM
HÀ NỘI

Nguyen Tran Manh Trung
Deputy General Director

29 March 2024

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS*These notes are an integral part of and should be read in conjunction with the accompanying separate 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-HDBT dated 26 March 1988 of the Council of Ministers on the organization of the State Bank of Vietnam ("SBV"). The Bank was officially renamed Vietnam Bank for Industry and Trade in accordance with Decision No. 402/CT dated 14 November 1990 granted by the Chairman of the Council of Ministers and remodeled to become a State Corporation under Decision No. 285/QĐ-NH5 dated 21 September 1996 of the Governor of the SBV. On 25 December 2008, Vietnam Bank for Industry and Trade successfully carried out its initial public offering.

On 03 July 2009, the Bank was equitized and renamed Vietnam Joint Stock Commercial Bank for Industry and Trade according to Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 issued by the SBV and Business Registration Certificate No. 0103038874 dated 03 July 2009 issued by Hanoi Authority for Planning and Investment. The latest (13th) amended Enterprise Registration Certificate No. 0100111948 was issued by Hanoi Authority for Planning and Investment on 08 January 2024. On 17 June 2022, the SBV granted Establishment and Operation License No. 13/GP-NHNN to replace the Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 and amending and supplementing decisions relating thereto from 2017 to 2021. The latest amending and supplementing decision related to the Establishment and Operation License was issued by the SBV on 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, SBV bills and other valuable papers on the money market; buying and selling Government bonds and corporate bonds; issuing certificates of deposit, promissory notes, treasury bills and bonds to mobilize capital according to the provisions of Law on credit institutions, Law on securities, the Government's regulations and the SBV's guidance; borrowing capital from the SBV in the form of refinancing 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.

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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 Lao Limited	Enterprise Registration Certificate No. 068/NHCHDCNLD dated 08 July 2015 granted by Bank of the Lao P.D.R and Amended License No. 2947/NHCHDCNLD dated 27 September 2023	Finance and banking	100%

Employees

The total number of employees of the Bank as at 31 December 2023 was 22,333 (as at 31 December 2022: 22,879).

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate 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 separate financial reporting. However, due to the Bank's large scale of operation, for the purpose of preparing these separate financial statements, the figures are rounded to and presented in millions of Vietnam Dong (VND Million). This presentation does not materially impact the separate financial statements in terms of the separate financial position, the separate financial performance and separate cash flows of the Bank. With regard to the number of shares, the Bank presented the items in Note 24.3.

The accompanying separate financial statements are not intended to present the separate financial position, separate financial performance and separate 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 ACCOUNTING 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 separate 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 this circular that have an impact on the Bank's separate 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; and
- Replacing some phrases, clauses and articles of Circular 09.

The Bank has applied these circulars in the preparation and presentation of the separate financial statements for 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 separate financial statements are as follows:

Estimates

The preparation of the separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to separate 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 separate 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.

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 49). 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 separate income statement.

Cash and cash equivalents

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

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 following the regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and deposits 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 the forward exchange rate and the spot exchange rate as at effective date of the contract is recognized immediately at the effective date of the contract under "Interest and fee receivables" item or "Interest and fee payables" item in the separate 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 separate 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 separate income statement.

Interest rate swap contracts

Commitments of one-currency-interest-rate swap contracts are not recorded in the separate statement of financial position. For two-currency-interest-rate swap contracts with nominal principal swap, commitments are recognized in the separate 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 separate statement of financial position at the date of principal exchange. Income and expenses arising from interest rate effects are recorded on the accrual basis.

Loans to customers

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

Provision for credit losses

Classification of loans and provision for credit losses

Under Circular 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 following regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and deposits 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 following the law on issuance, registration, depository, listing and trading of Government debt securities in the stock market; and
- 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 maintains the same debt group for a number of loans in accordance with the provisions of Circular No. 10/2015/TT-NHNN dated 22 July 2015 and Circular No. 25/2018/TT-NHNN dated 24 October 2018 of the SBV amending and supplementing a number of articles of Circular No. 10/2015/TT-NHNN guiding the implementation of some contents of the Government's Decree No. 55/2015/ND-CP dated 09 June 2015 ("Decree 55") on credit policies for agricultural and rural development; Circular 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 ("Circular 14") amending and supplementing a number of articles of Circular 01; 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 and documents of the SBV on debt classification and risk provisioning.

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

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

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

The additional specific provision to be made is specified in Circular 03 and Circular 02.

Under 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 loan balances 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 separate 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 has bought and had the intention to sell in the near future to gain benefits from price differences. Trading securities are recognized at cost at the 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 separate income statement.

These securities are subject to impairment review at the date of the separate 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 separate 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 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 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 amortization (for debt securities with interest payment in advance) is recorded in a separate account. Any discount or premium, which is the difference between the cost and the amount equal to par value plus (+) accrued interest before the acquisition date (if any) or minus (-) interest received upfront awaiting amortization (if any), is also recorded in a separate account.

During the term of those securities in subsequent period, these securities are recorded at par value, and the discount/premium (if any) is amortised into the separate 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 separate 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 purchases for investment purposes to gain interest and the Bank has the 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 separate 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 the transaction date is made only once for each item of investment securities. In special cases or in case a large number of securities have to be reclassified (greater than or equal to 50% of the total value of the portfolio), the Bank will disclose the effect of reclassification on total assets, liabilities, equity, income and expenses of the Bank in the separate financial statements.

Investments in subsidiaries

Investments in subsidiaries over which the Bank has control rights are carried at cost in separate financial statements. Distributions from accumulated net profits of subsidiaries arising subsequently to the acquisition date are recognized in the separate income statement for the year. Distributions from other sources are considered recovery of investments and are deducted from the cost of the investments.

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. that the strategic financial and operating policy decisions relating to the activities of the joint ventures require the unanimous consent of the parties sharing control.

Investments in joint ventures are carried at cost in separate financial statements. Accordingly, the Bank's contributed capital is initially recorded at cost. Distributions from accumulated net profits of the joint ventures arising subsequently to the date of acquisition are recognized in the separate income statement for the year. Distributions from sources other than from such profits are considered recovery of investments and are deducted from the cost of the investments.

Other long-term investments

Other long-term investments represent the Bank's capital investments in other enterprises at which the Bank 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 and long-term investments are made when the investee is operating at loss in accordance with prevailing accounting regulations.

Provision for impairment of capital contribution and long-term investments are recognized as an operating expense in the separate 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 recognizes 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 transfers 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 separate financial statements. The corresponding cash received from these agreements is recognized in the separate statement of financial position as a borrowing and the difference between the sale price and the repurchase price is allocated to the separate 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 separate financial statements. The corresponding cash paid under these agreements is recognized in the separate statement of financial position as a loan and the difference between the purchase price and resale price is amortized into the separate 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 realized. 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 therefore, they are not recognized in the separate 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 Bank's purchase price plus any directly attributable costs of bringing the asset to working conditions for its intended use.

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

Intangible assets

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

Expenditures for improvements 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 separate income statement. When intangible assets are sold or disposed, their cost and accumulated amortization are written off from the separate statement of financial position and any gains or losses resulting from their disposals are recorded in the separate 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 separate statement of financial position. Rentals under operating leases are recorded in "Operating expenses" on a straight-line basis over the lease term.

Depreciation and amortization

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

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

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

Prepaid expenses

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

Office rentals represent the office rental paid in advance. Prepaid office rental is allocated to the separate 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 separate 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 of the outstanding receivables or based on the expected loss for the following cases: institutional debtors who have fallen into bankruptcy or have been in the process 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 separate 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 has a present obligation as a result of a past event, and it is probable that the Bank will be required to settle that obligation. Other provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the financial year end.

Capital and reserves

Common shares

Common shares are classified as owners' equity.

Share premium

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

Treasury shares

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

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 fund 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.

Revenue and expenses

Interest and similar income/expenses

Interest income and interest expenses are recognized in the separate 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 and Decree 55 will not be recognized in the separate income statement. Accrued interest income on such loans is recorded as an off-balance-sheet item and is recognized in the separate 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 separate income statement for the year. These accruals are recorded as off-balance-sheet items and are only recognized in the separate income statement upon actual receipt.

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 separate 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 separate 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 separate 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 separate 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 separate 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 separate 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 separate 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 the Bank has a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to corporate income taxes levied by the same tax authority and the Bank intends to settle its current tax assets and liabilities on a net basis.

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

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

Employee benefits

Post-employment benefits

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

Severance allowance

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

Unemployment insurance

According to Circular No. 28/2015/TT-BLDTBXH dated 31 July 2015 ("Circular 28") of the Ministry of Labor - War Invalids and Social Affairs guiding the implementation of Article 52 of the Employment Law 2013 and Decree No. 28/2015/ND-CP of the Government dated 12 March 2015 regulating the implementation of the Employment Law on unemployment insurance, from 01 January 2009, the Bank is 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 a related party with the Bank if:

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

Offsetting

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

5. CASH

	Closing balance	Opening balance
	VND Million	VND Million
Cash in VND	8,536,838	9,893,360
Cash in foreign currencies	1,073,572	1,047,443
	9,610,410	10,940,803

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

	Closing balance VND Million	Opening balance VND Million
Current account at the State Bank of Vietnam		
- In VND	35,760,631	29,415,566
- In foreign currencies	4,835,924	311,041
	40,596,555	29,726,607

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 VND Million	Opening balance VND Million
Placements with other credit institutions		
Demand deposits	187,679,595	131,889,409
- In VND	86,748,801	68,966,706
- In foreign currencies	100,930,794	62,922,703
Term deposits	72,526,574	92,092,302
- In VND	23,680,000	30,350,000
- In foreign currencies	48,846,574	61,742,302
	260,206,169	223,981,711
Loans to other credit institutions		
- In VND	7,597,604	16,017,932
- In foreign currencies	8,980,821	1,389,390
	16,578,425	17,407,322
Placements with and loans to other credit institutions	276,784,594	241,389,033

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 Policies and deposits at overseas credit institutions under Circular 11) and loans to other credit institutions by quality is as follows:

	Closing balance VND Million	Opening balance VND Million
Standard loans	89,104,999	109,499,624
Special mention loans	-	-
Sub-standard loans	-	-
Doubtful loans	-	-
Loss loans	-	-
	89,104,999	109,499,624

8. TRADING SECURITIES

	Closing balance VND Million	Opening balance VND Million
Debt securities	63,118	-
Government bonds	63,118	-
	63,118	-

Listing status of trading securities is as follows:

	Closing balance VND Million	Opening balance VND Million
Debt securities		
Listed	63,118	-

9. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

	Net book value (at exchange rate as at the reporting date)		
	Assets VND Million	Liabilities VND Million	Net amount VND Million
As at 31/12/2023			
Currency derivative financial instruments	-	(464,245)	(464,245)
- <i>Forward contracts</i>	-	(347,868)	(347,868)
- <i>Swap contracts</i>	-	(116,377)	(116,377)
Interest rate derivative financial instruments	-	(88,388)	(88,388)
	<hr/>	<hr/>	<hr/>
	-	(552,633)	(552,633)
As at 31/12/2022			
Currency derivative financial instruments	3,169,129	-	3,169,129
- <i>Forward contracts</i>	127,406	-	127,406
- <i>Swap contracts</i>	3,041,723	-	3,041,723
Interest rate derivative financial instruments	-	(91,277)	(91,277)
	<hr/>	<hr/>	<hr/>
	3,169,129	(91,277)	3,077,852

10. LOANS TO CUSTOMERS

	Closing balance VND Million	Opening balance (Restated) VND Million
Loans to local economic entities and individuals	1,454,035,556	1,256,610,862
Discounted promissory notes and valuable papers	1,729,508	1,824,896
Payments made on behalf of customers	226,988	473,842
Loans by grants, investment trusts	10,668	28,238
Loans to foreign organisations and individuals	4,761,888	5,260,790
	<hr/>	<hr/>
	1,460,764,608	1,264,198,628

Analysis of loans portfolio by quality

	Closing balance VND Million	Opening balance (Restated) VND Million
Standard loans	1,421,723,848	1,218,718,488
Special-mention loans	22,645,316	29,747,561
Sub-standard loans	2,482,038	7,291,579
Doubtful loans	4,692,176	2,209,752
Loss loans	9,221,230	6,231,248
	1,460,764,608	1,264,198,628

Analysis of loan portfolio by original term

	Closing balance VND Million	Opening balance (Restated) VND Million
Short-term loans (Up to 1 year)	956,804,155	768,841,671
Medium-term loans (From 1 to 5 years)	81,937,114	78,960,264
Long-term loans (Above 5 years)	422,023,339	416,396,693
	1,460,764,608	1,264,198,628

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

	Closing balance VND Million	Opening balance (Restated) VND Million
State-owned enterprises	57,473,276	64,667,305
Single-member limited liability companies with 100% State ownership	18,111,962	18,056,105
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	305,453,058	265,724,512
Joint stock companies with more than 50% of the State's share-holding	24,093,291	21,118,103
Other joint stock companies	404,203,159	343,378,559
Partnership companies	31,641	4,190
Private companies	13,762,447	12,626,249
Foreign invested enterprises	77,453,184	59,650,759
Cooperatives, cooperative unions	1,310,113	1,307,206
Household businesses, individuals	550,656,808	468,806,497
Administrative units, the Party, unions and associations	765,890	907,848
Others	134,013	267,931
	1,460,764,608	1,264,198,628

Analysis of loan portfolio by sector

	Closing balance VND Million	Opening balance (Restated) VND Million
		VND Million
Agriculture, forestry and aquaculture	47,947,765	46,167,447
Mining and quarrying	8,626,119	9,846,078
Production and processing	302,092,123	266,149,204
Electricity, fuel gas and water production and distribution	67,663,097	64,378,892
Construction	78,625,067	86,021,432
Wholesale and retail; repair of cars, motorcycles, motorbikes and other motor vehicles	548,654,813	435,416,459
Transport, warehouse and communication	29,635,941	23,377,420
Trade and service	258,453,591	236,290,994
Employment activities in households, production of material products and services for household self-consumption	74,853,804	68,869,423
Others	44,212,288	27,681,279
	1,460,764,608	1,264,198,628

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 VND Million	Specific provision VND Million	Total VND Million
Opening balance (Restated)	9,345,537	19,845,335	29,190,872
Provision made for the year	1,514,469	23,477,279	24,991,748
Provision used to write off bad debts for the year	-	(26,684,066)	(26,684,066)
Closing balance	10,860,006	16,638,548	27,498,554

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

	General provision VND Million	Specific provision VND Million	Total VND Million
Opening balance	8,343,427	17,259,364	25,602,791
Provision made for the year	1,002,110	22,721,764	23,723,874
Provision used to write off bad debts for the year	-	(20,135,793)	(20,135,793)
Closing balance (Restated)	9,345,537	19,845,335	29,190,872

12. INVESTMENT SECURITIES

12.1. Available-for-sale investment securities

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	176,714,052	175,894,416
Government bonds	75,593,879	77,511,269
Debt securities issued by other domestic credit institutions	98,228,163	95,264,137
Debt securities issued by domestic economic entities	2,892,010	3,119,010
Equity securities	376,615	376,615
Equity securities issued by domestic economic entities	376,615	376,615
Available-for-sale investment securities	177,090,667	176,271,031
Provisions for impairment of available-for-sale investment securities	(27,194)	(58,750)
Provisions for impairment	(5,494)	(35,357)
General provision	(21,690)	(23,393)
Specific provision	(10)	-
	177,063,473	176,212,281

12.2. Held-to-maturity investment securities

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	786,778	1,586,778
Government bonds	400,000	1,200,000
Debt securities issued by domestic economic entities	386,778	386,778
Provisions for impairment of held-to-maturity investment securities	(80,281)	(2,901)
General provision	(2,901)	(2,901)
Specific provision	(77,380)	-
	706,497	1,583,877

12.3. Quality analysis of securities classified as credit risk assets

	Closing balance	Opening balance
	VND Million	VND Million
Standard loans	89,995,588	89,255,758
Special-mention loans	-	-
Sub-standard loans	386,748	30
Doubtful loans	-	-
Loss loans	40	-
	90,382,376	89,255,788

12.4. Provision for credit losses 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		
	General provision	Specific provision	Provisions for impairment	General provision	Specific provision	Total
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Opening balance	23,393	-	35,357	2,901	-	61,651
Provision (reversed)/appropriated for the year	(1,703)	10	(29,863)	-	77,380	45,824
Closing balance	21,690	10	5,494	2,901	77,380	107,475

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		
	General provision	Specific provision	Provisions for impairment	General provision	Specific provision	Total
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Opening balance	65,063	-	51,189	2,901	-	119,153
Provision (reversed) for the year	(41,670)	-	(15,832)	-	-	(57,502)
Closing balance	23,393	-	35,357	2,901	-	61,651

13. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS

Analysis by type of investment

	Closing balance	Opening balance
	VND Million	VND Million
Investments in subsidiaries (see Note 13.1)	4,123,832	3,840,032
Equity investments in joint ventures (see Note 13.2)	1,688,788	1,688,788
Other long-term investments	22,962	22,962
	5,835,582	5,551,782

13.1. Investment in subsidiaries

	Closing balance VND Million	Opening balance VND Million
Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade	1,000,000	1,000,000
Vietnam Bank for Industry and Trade Securities Joint Stock Company	597,232	597,232
Asset Management Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade	120,000	120,000
VietinBank Insurance Joint Stock Corporation	489,150	489,150
VietinBank Fund Management Company Limited	300,000	300,000
VietinBank Gold and Jewellery Trading Company Ltd	200,000	200,000
VietinBank Global Money Transfer Company Limited	50,000	50,000
VietinBank Lao Limited	1,367,450	1,083,650
	<u>4,123,832</u>	<u>3,840,032</u>

13.2. Investment in joint venture

	Closing balance		Opening balance	
	Cost equivalent VND Million	Proportion of ownership %	Cost equivalent VND Million	Proportion of ownership %
	Indovina Bank Limited	1,688,788	50	1,688,788
		<u>1,688,788</u>		<u>1,688,788</u>

Indovina Bank Limited was established in Vietnam with the Head Office located in Ho Chi Minh City, whose main activity is providing banking services. This is a joint venture between the Bank and Cathay United Bank, a bank established in Taiwan. Indovina Bank Limited was granted Establishment and Operation License for Joint venture bank No. 101/GP-NHNN dated 11 November 2019 (replacing Operation License for Joint venture bank No. 08/NH-GP 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

	Management				
	Motor		tools, vehicles and equipment and other tangible fixed assets		
	Building, structures	Machinery, equipment	transmission equipment	other tangible fixed assets	Total
	VND Million	VND Million	VND Million	VND Million	VND Million
Cost					
Opening balance (Restated)	8,078,345	5,691,816	1,707,634	401,866	15,879,661
Acquisitions during the year	32,068	333,732	172,803	23,175	561,778
Transfer from construction in progress	213,398	19,929	11,410	19,832	264,569
Other additions	3,922	889	289	859	5,959
Reclassifications	(9,877)	2,031	-	15	(7,831)
Disposals	(6,898)	(343,072)	(39,639)	(3,349)	(392,958)
Other decreases	(1,980)	(18)	(397)	(3,315)	(5,710)
Closing balance	8,308,978	5,705,307	1,852,100	439,083	16,305,468
Accumulated depreciation					
Opening balance (Restated)	3,051,196	5,275,381	1,304,460	346,336	9,977,373
Depreciation charged for the year	308,352	235,849	141,300	25,634	711,135
Other additions	40,919	2,780	402	231	44,332
Reclassifications	(2,046)	2,046	-	-	-
Disposals	(6,671)	(342,562)	(39,639)	(3,394)	(392,266)
Other decreases	(7,862)	(38)	(523)	(3,321)	(11,744)
Closing balance	3,383,888	5,173,456	1,406,000	365,486	10,328,830
Net book value					
Opening balance (Restated)	5,027,149	416,435	403,174	55,530	5,902,288
Closing balance	4,925,090	531,851	446,100	73,597	5,976,638

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	7,195,624	7,026,480

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	4,042,154	2,600,553	6,642,707
Acquisitions during the year	-	95,060	95,060
Other additions	152	788	940
Reclassification	7,831	-	7,831
Disposals	-	(80,926)	(80,926)
Closing balance	4,050,137	2,615,475	6,665,612
Accumulated amortisation			
Opening balance (Restated)	450,034	2,115,650	2,565,684
Amortisation charged for the year	37,737	223,811	261,548
Other additions	31	761	792
Disposals	-	(80,926)	(80,926)
Other decreases	(91)	-	(91)
Closing balance	487,711	2,259,296	2,747,007
Net book value			
Opening balance (Restated)	3,592,120	484,903	4,077,023
Closing balance	3,562,426	356,179	3,918,605

Other information about intangible assets:

	Closing balance VND Million	Opening balance VND Million
Cost of intangible assets fully amortized but still in use	1,092,426	1,031,071
	1,092,426	1,031,071

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	856,607	900,768
External receivables	33,679,763	58,504,496
Internal receivables	156,032	169,579
	40,262,627	65,208,103

(i) Construction in progress

	Closing balance VND Million	Opening balance VND Million
Constructions in the Northern area	5,363,006	5,359,086
Constructions in the Central area	74,894	144,036
Constructions in the Southern area	132,325	130,138
	5,570,225	5,633,260

16.2. Other assets

	Closing balance	Opening balance
	VND Million	(Restated) VND Million
Materials and tools	197,186	139,983
Prepaid expenses	2,556,229	2,565,408
Other assets	139,249	139,249
	2,892,664	2,844,640

16.3. Provisions for impairment of other balance sheet assets

	Closing balance	Opening balance
	VND Million	VND Million
Provision for bad debts	79,156	30,334
	79,156	30,334

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
Discounting valuable papers	-	648,396
Borrowings for grants to State-owned enterprises	6,958	6,958
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	173,832,137	98,786,006
- In VND	67,177,286	50,990,538
- In foreign currencies	106,654,851	47,795,468
Term deposits	84,560,100	39,991,300
- In VND	79,224,000	37,637,000
- In foreign currencies	5,336,100	2,354,300
	258,392,237	138,777,306

18.2. Borrowings from other credit institutions

	Closing balance	Opening balance
	VND Million	VND Million
- In VND	8,843,830	4,869,460
<i>In which: Discounting, rediscounting borrowings</i>	877,824	-
- In foreign currencies	28,101,750	60,059,999
	36,945,580	64,929,459

19. DEPOSITS FROM CUSTOMERS

	Closing balance	Opening balance
	VND Million	VND Million
Demand deposits	310,806,798	243,355,233
- Demand deposits in VND	269,766,343	208,709,207
- Demand deposits in foreign currencies	41,040,455	34,646,026
Term deposits	1,091,678,694	997,436,685
- Term deposits in VND	1,057,156,599	966,324,617
- Term deposits in foreign currencies	34,522,095	31,112,068
Deposits for specific purpose	2,142,589	2,293,371
- Deposits for specific purpose in VND	1,460,034	1,472,805
- Deposits for specific purpose in foreign currencies	682,555	820,566
Margin deposits	4,789,607	4,076,881
- Margin deposits in VND	4,105,717	3,744,654
- Margin deposits in foreign currencies	683,890	332,227
	1,409,417,688	1,247,162,170

Customer deposit portfolio by type of customers and type of businesses

	Closing balance	Opening balance
	VND Million	VND Million
State-owned enterprises	206,606,391	197,119,114
Single-member limited liability companies with 100% State ownership	34,591,407	27,854,977
Multi-member limited liability companies with over 50% State ownership	1,678,041	1,463,553
Other limited companies	47,832,641	43,593,871
Joint stock companies with more than 50% of the State's share-holding	58,864,058	48,201,787
Other joint stock companies	105,307,324	99,717,710
Partnership companies	10,815,715	10,293,399
Private companies	2,912,840	2,527,658
Foreign invested enterprises	116,256,435	107,365,151
Cooperatives, cooperative unions	513,389	640,972
Household businesses, individuals	720,522,395	619,352,374
Administrative units, the Party, unions and associations	62,125,292	53,360,772
Others	41,391,760	35,670,832
	1,409,417,688	1,247,162,170

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	1,713,142	1,886,953
	2,163,999	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:

Type of valuable papers	Bill	Bearer bonds	Book-entry bonds	Certificate of deposit	Total
	VND Million	VND Million	VND Million	VND Million	VND Million
Closing balance					
Term under 12 months	153	-	-	68,919,684	68,919,837
- <i>In VND</i>	153	-	-	68,919,684	68,919,837
Term from 12 months to under 5 years	-	166	-	4,432,989	4,433,155
- <i>In VND</i>	-	166	-	4,432,873	4,433,039
- <i>In foreign currency</i>	-	-	-	116	116
Term over 5 years	-	-	42,022,735	-	42,022,735
- <i>In VND</i>	-	-	42,022,735	-	42,022,735
	153	166	42,022,735	73,352,673	115,375,727
Opening balance					
Term under 12 months	197	-	-	43,000,000	43,000,197
- <i>In VND</i>	197	-	-	43,000,000	43,000,197
Term from 12 months to under 5 years	-	166	-	12,043,826	12,043,992
- <i>In VND</i>	-	166	-	12,043,642	12,043,808
- <i>In foreign currency</i>	-	-	-	184	184
Term over 5 years	-	-	36,326,230	-	36,326,230
- <i>In VND</i>	-	-	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
	VND Million	VND Million
Internal payables	3,507,567	2,371,987
External payables (i)	10,524,288	13,465,095
Bonus and welfare funds	2,853,589	2,567,805
	16,885,444	18,404,887

(i) Details of external payables are as follows:

	Closing balance VND Million	Opening balance (Restated)
		VND Million
Payments/receipts on behalf of other organisations	1,168,538	3,903,170
Amount due to customers and deferred payment	94,028	84,460
Corporate income tax payables (Note 23)	3,059,788	2,939,383
Unearned revenue	2,883,986	3,833,813
Other tax payables	443,563	435,625
Interbank payables	544,755	805,823
Money transfer payables	239,211	142,392
Payables relating to trade finance activities	5,999	6,000
Other pending payments	1,029,556	1,181,848
Payables relating to debt selling (*)	979,510	64,488
Other payables	75,354	68,093
	10,524,288	13,465,095

(*) 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

	Opening balance (Restated) VND Million	Movement in the year		
		Payable VND Million	Paid VND Million	Closing balance VND Million
Value added tax	253,639	763,886	650,824	366,701
Corporate income tax	2,939,383	4,744,278	4,623,873	3,059,788
Other taxes	181,986	1,065,801	1,170,925	76,862
	3,375,008	6,573,965	6,445,622	3,503,351

24. CAPITAL AND RESERVES

24.1. Statement of changes in owners' equity

	Charter capital VND Million	Share premium VND Million	Capital supplementary reserve VND Million	Financial reserve fund VND Million	Retained earnings VND Million	Total VND Million
Prior year's opening balance	48,057,506	8,969,827	4,418,716	8,811,247	19,881,060	90,138,356
Profit after tax for the year	-	-	-	-	16,527,659	16,527,659
Adjustment of the appropriation to reserves of previous years	-	-	1,143	2,286	(3,429)	-
Temporary appropriation to reserves during the year	-	-	818,950	1,637,901	(2,456,851)	-
Appropriation to bonus and welfare fund	-	-	-	-	(1,954,606)	(1,954,606)
Other adjustments	-	-	-	-	(86,146)	(86,146)
Current year's opening balance (Restated)	48,057,506	8,969,827	5,238,809	10,451,434	31,907,687	104,625,263
Capital increase from dividends distribution (see Note 24.4)	5,642,411	-	-	-	(5,642,411)	-
Profit after tax for the year	-	-	-	-	19,456,788	19,456,788
Adjustment of the appropriation to reserves of previous years (*)	-	-	3,126	6,250	(9,376)	-
Temporary appropriation to reserves during the year (*)	-	-	972,839	1,945,679	(2,918,518)	-
Appropriation to bonus and welfare fund (*)	-	-	-	-	(2,327,358)	(2,327,358)
Other adjustments	-	-	-	-	(2,862)	(2,862)
Closing balance	53,699,917	8,969,827	6,214,774	12,403,363	40,463,950	121,751,831

(*) According to Resolution No. 26/NQ-DHDCD 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-BOD-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 undistributed profits 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 VND Million	Preference shares VND Million	Ordinary shares VND Million	Preference shares VND Million
Government capital	34,616,763	-	30,979,325	-
Contributed capital (shareholders, members)	19,083,154	-	17,078,181	-
Share premium	8,969,827	-	8,969,827	-
	62,669,744	-	57,027,333	-

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>	5,369,991,748	4,805,750,609
Par value of share (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 5,642,411 million VND. On 4 January 2024, the Bank completed the additional listing of these shares.

25. INTEREST AND SIMILAR INCOME

	Current year VND Million	Prior year VND Million
Interest from deposits	4,314,519	3,020,810
Interest from loans to customers	116,783,978	92,361,173
Interest from trading, investment in debt securities	7,728,487	6,499,062
Income from guarantee services	1,350,888	872,485
Other income from credit activities	785,220	632,791
	130,963,092	103,386,321

26. INTEREST AND SIMILAR EXPENSES

	Current year VND Million	Prior year VND Million
Interest expense on deposits	68,737,387	47,995,800
Interest expense on borrowings	2,952,998	2,904,793
Interest expense on valuable papers issued	6,731,245	3,786,570
Expenses on other credit activities	773,028	1,849,263
	79,194,658	56,536,426

27. NET GAIN FROM SERVICES

	Current year	Prior year
	VND Million	VND Million
Income from services		
Income from remittance services	9,506,879	8,381,799
Income from consulting, trust and agency services	3,965,828	3,798,087
Others	1,147,663	906,422
	4,393,388	3,677,290
Expenses for services		
Expenses for remittance services	(3,598,992)	(3,359,322)
Expenses for consulting, trust and agency services	(2,948,733)	(2,694,730)
Others	(1,708)	(70,969)
	(648,551)	(593,623)
Net gain from services	5,907,887	5,022,477

28. NET GAIN FROM FOREIGN CURRENCY TRADING

	Current year	Prior year
	VND Million	VND Million
Income from trading foreign currencies		
Income from spot trading foreign currencies	8,751,372	7,176,428
Income from trading currency derivative financial instruments	2,973,454	2,557,094
	5,777,918	4,619,334
Expenses for trading foreign currencies		
Expenses for spot trading foreign currencies	(4,488,606)	(3,595,747)
Expenses for trading currency derivative financial instruments	(367,087)	(422,696)
	(4,121,519)	(3,173,051)
Net gain from trading foreign currencies	4,262,766	3,580,681

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

29.1. Net (loss) from trading securities

	Current year	Prior year
	VND Million	VND Million
Income from trading securities	796	9,279
(Expense) for trading securities	(5,256)	(56,927)
Provision reversed for impairment of trading securities	-	7,884
Net (loss) from trading securities	(4,460)	(39,764)

29.2. Net (loss) from investment securities

	Current year	Prior year
	VND Million	VND Million
Income from trading investment securities	29,258	20,363
(Expenses) for trading investment securities	(2,396)	(115,968)
(Appropriation)/Reversal of provision for impairment of investment securities	(45,824)	57,502
Net (loss) from trading investment securities	(18,962)	(38,103)

30. NET GAIN FROM OTHER ACTIVITIES

	Current year VND Million	Prior year (Restated) VND Million
Other operating income	7,000,462	7,320,838
Income from recovery of bad debts	4,607,782	5,324,932
Income from transfer, disposals of assets	10,303	16,828
Income from other derivatives	1,222,853	838,171
Other income	1,159,524	1,140,907
Other operating expenses	(1,168,796)	(897,863)
Expense for trading other derivatives	(868,521)	(407,547)
Expense for transfer, disposals of assets	(2,591)	(2,176)
Other expenses	(297,684)	(488,140)
Net profit from other activities	5,831,666	6,422,975

31. INCOME FROM CAPITAL CONTRIBUTION, EQUITY INVESTMENTS

	Current year VND Million	Prior year VND Million
Dividends income from capital contributions and equity investment for the year		
- <i>From investment equity securities</i>	14,546	14,546
- <i>From long-term investments</i>	613,060	525,945
	627,606	540,491

32. OPERATING EXPENSES

	Current year VND Million	Prior year VND Million
Taxes, fees and charges	17,963	213,312
Staff cost	10,912,728	10,381,618
- Salaries and allowances	9,295,153	8,625,210
- Salary-based expenses	567,267	553,015
- Other allowances	2,675	2,115
- Other expenses	1,047,633	1,201,278
Expenses for fixed assets	2,629,804	2,621,877
- Depreciation and amortisation expenses	972,683	930,437
- Others	1,657,121	1,691,440
Expenses for operating management	4,596,643	3,992,386
- Per diems	190,403	158,277
- Expenses for union activities	24,796	18,040
- Others	4,381,444	3,816,069
Insurance premium for customers' deposits	983,188	877,347
(Appropriation)/Reversal of provision (excluding provision expenses for credit risks, provision for securities)	48,664	(10,258)
	19,188,990	18,076,282

33. CORPORATE INCOME TAX EXPENSE ("CIT")

	Current year VND Million	Prior year (Restated) VND Million
Profit before corporate income tax	24,194,199	20,538,496
<i>Add back/(less):</i>		
- Non-taxable dividend income and profits received	(627,606)	(540,491)
- Others	120,461	56,180
Taxable profit	23,687,054	20,054,185
Corporate income tax rate	20%	20%
CIT expense calculated based on tax rate	4,737,411	4,010,837
Total CIT for the year	4,737,411	4,010,837
CIT payable at the beginning of the year	2,939,383	659,571
CIT paid in the year	(4,623,873)	(1,731,025)
Adjustment for previous year's CIT	6,867	-
Net CIT payable at the end of the year	3,059,788	2,939,383

34. CASH AND CASH EQUIVALENTS

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

	Closing balance VND Million	Opening balance VND Million
Cash	9,610,410	10,940,803
Balances with the SBV	40,596,555	29,726,607
Current deposits at other credit institutions	187,679,595	131,889,409
Deposits at other credit institutions with terms not exceeding 3 months	35,484,562	65,441,627
Securities with recovery or maturity term not exceeding 3 months from the date of purchase	-	8,000,000
	273,371,122	245,998,446

35. EMPLOYEE'S INCOME

	Current year	Prior year
I. Total average number of employees during the year (person)	22,370	22,721
II. Employees' income (VND Million)		
1. Total salary fund	9,295,153	8,625,210
2. Other allowances	179,590	179,893
3. Total income (1+2)	9,474,743	8,805,103
4. Average monthly salary	34.63	31.63
5. Average monthly income	35.30	32.29

36. TYPES AND BOOK VALUE OF COLLATERALS AND MORTGAGES

Assets, valuable papers used as mortgage, pledge and discount, rediscount

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

	Closing balance VND Million	Opening balance (Restated) VND Million
Real estate	2,036,027,054	1,705,625,087
Movable assets	69,220,430	66,560,943
Deposits, gold, precious metals, gemstones, valuable papers	232,233,769	163,077,208
Other assets	659,180,507	555,185,492
	2,996,661,760	2,490,448,730

As at 31 December 2023, the Bank did not hold any collateral which the Bank is permitted to sell to 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.

37. TRUST AND AGENCY ACTIVITIES FOR CREDIT INSTITUTIONS

	Closing balance VND Million	Opening balance 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

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

	Closing balance VND Million	Opening balance (Restated) VND Million
Contingent liabilities	166,941,542	159,557,922
Credit guarantees	8,785,288	7,692,271
Letters of Credit (L/C) commitments	55,973,190	73,681,669
Other guarantees	102,183,064	78,183,982
Commitments	794,458,832	310,604,986
Foreign exchange transaction commitments	725,754,038	258,304,665
Other commitments	68,704,794	52,300,321

39. UNCOLLECTED INTEREST INCOME AND FEES

	Closing balance VND Million	Opening balance (Restated) VND Million
Uncollected loan interest	8,970,066	7,972,806
Uncollected interest from securities	435,237	282,858
Uncollected fees	111,545	86,017
	9,516,848	8,341,681

40. BAD DEBTS WRITTEN-OFF

	Closing balance	Opening balance (Restated)
	VND Million	VND Million
Principals of written off bad debts under observation	82,961,862	62,100,660
Interests of written off bad debts under observation	64,220,770	54,361,248
Other written off bad debts	1,362	1,362
	147,183,994	116,463,270

41. OTHER ASSETS AND VALUABLE PAPERS

	Closing balance	Opening balance (Restated)
	VND Million	VND Million
Other assets in custody	3,127,399	3,514,400
Outsourced assets	11,590,006	11,023,860
Other valuable papers in custody	69,438,055	83,319,420
	84,155,460	97,857,680

42. 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	10,869,948 (969,742)	6,343,666 231,355
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Interest income from deposits Interest expenses of deposits Interest expenses of borrowings	79 2,421 184,044	131 4,919 229,011
Indovina Bank Limited	Joint venture	Interest income from deposits Interest expenses of deposits Dividends received	23,886 54 359,634	3,278 110 334,211
Subsidiaries	Subsidiaries	Interest income from deposits Interest income from loans Interest expenses of deposits Profit received	163,623 11,709 47,063 192,525	88,324 14,362 38,385 159,028

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

Related parties	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	40,596,555	29,726,607
		Borrowings from the SBV	(766,887)	(1,736,629)
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Deposits at the Bank	(180,918)	(59,918)
		Deposits of the Bank	196,921	212,265
Indovina Bank Limited	Joint venture	Borrowings of the Bank	(714,098)	(8,197,594)
		Accrued interest expenses	(3,051)	(90,586)
Subsidiaries	Subsidiaries	Deposits at the Bank	(22,098)	(124,277)
		Deposits of the Bank	483	1,000,483
		Accrued interest income	-	230
		Deposits at the Bank	(1,788,565)	(1,655,022)
		Deposits of the Bank	2,664,931	2,604,635
		Borrowings from the Bank	-	210,000
		Accrued interest income	8,000	19,900
		Accrued interest expenses	(24,349)	(15,753)

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	Appointment/ Resignation Date	Current year		Prior year	
			VND Million	VND Million	VND Million	VND Million
BOARD OF DIRECTORS						
Mr. Tran Minh Binh	Chairman		2,485	2,461	15,747	15,391
Ms. Nguyen Thi Bac	Independent Member		1,800	1,800		
Mr. Nguyen Duc Thanh	Member		2,064	1,987		
Ms. Tran Thu Huyen	Member		2,175	2,124		
Mr. Nguyen The Huan	Member		1,869	1,826		
Ms. Pham Thi Thanh Hoai	Member		1,631	1,593		
Mr. Tran Van Tan	Member		1,650	1,621		
Mr. Le Thanh Tung	Member		1,631	1,593		
Member nominated by MUFJ partner (*)	Member		441	386		
Board of Supervisors						
Ms. Le Anh Ha	Chief Supervisor		1,626	1,589	3,856	3,678
Ms. Nguyen Thi Anh Thu	Member		1,264	1,174		
Ms. Pham Thi Thom	Member		965	915		
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	2,033	420	12,812	11,533
Mr. Nguyen Hoang Dung	Deputy General Director in charge of the Board of Management	Resigned from 01 September 2023	1,645	2,368		
Mr. Hoang Ngoc Phuong	Deputy General Director	Resigned from 28 April 2024	1,678	982		
Mr. Nguyen Tran Manh Trung	Deputy General Director		1,789	1,166		
Mr. Le Duy Hai	Deputy General Director		1,654	1,067		
Mr. Tran Cong Quynh Lan	Deputy General Director		2,236	2,262		
Mr. Nguyen Dinh Vinh	Deputy General Director		1,977	1,921		
Ms. Le Nhu Hoa	Deputy General Director		1,832	1,768		
Mr. Nguyen Hai Hung	Chief Accountant		1,927	1,869		

(*) Member nominated by MUFJ partner includes:

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

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

	Total loan balance VND Million	Total deposits VND Million	commitments VND Million	Derivatives (Difference between Credit debit - credit)		Trading and investment securities (Difference between debit - credit) VND Million
				Credit	Derivatives (Difference between debit - credit)	
				Derivatives (Difference between debit - credit)	Derivatives (Difference between debit - credit)	
Domestic	1,472,683,136	1,688,255,185	166,841,831	(552,633)	177,940,563	
Overseas	4,659,897	601,958	99,711	-	-	
	1,477,343,033	1,688,857,143	166,941,542	(552,633)	177,940,563	

44. FINANCIAL RISK MANAGEMENT POLICIES RELATED TO FINANCIAL INSTRUMENTS

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

In order to achieve sustainable development, improve operational efficiency and competitive advantage, the Bank has always been one of the pioneers in researching and applying international practices to its governance. In particular, the Bank has met requirement of the SBV in accordance with Basel II with the standards of risk management, capital management, information provision and has been implementing works related to internal and advanced calculation methods according to Basel II. In addition, the Bank has also preliminarily assessed to implement Basel III when there are guidelines from the SBV. 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 financial risks, the Bank has issued regulations, procedures, detailed guidance, sets of indicators and internal limits as well as strictly managed the balance between assets and liabilities, tightly controlled business activities' growth and credit quality; complied with limitation and safety ratios for operation; requirements for risk management as stipulated in Circular No. 22/2019/TT-NHNN, Circular No. 41/2016/TT-NHNN, Circular No. 13/2018/TT-NHNN and amendments and supplements of the regulatory authorities and regulations of the SBV; and has gradually met requirements for risk management.

45. 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	Other currency equivalent VND Million	Total VND Million	
				VND Million	VND Million
Assets					
Cash	161,936	770,990	140,646		1,073,572
Balances with the State Bank of Vietnam	90,572	4,745,352	-		4,835,924
Placements with and loans to other credit institutions	1,250,635	61,537,367	95,970,187		158,758,189
Derivative financial instruments and other financial assets	-	9,130,085	7,399		9,137,484
Loans to customers (*)	1,846,092	91,513,450	-		93,359,542
Fixed assets	32,308	-	-		32,308
Other assets (*)	2,812,189	16,560,392	623,075		19,995,656
Total assets	6,193,732	184,257,636	96,741,307		287,192,675
Liabilities					
Deposits and borrowings from other credit institutions	1,456,295	64,622,850	74,013,556		140,092,701
Deposits from customers	2,478,773	72,839,777	1,610,445		76,928,995
Derivative financial instruments and other financial liabilities	966,977	34,501,058	20,668,070		56,136,105
Grants, trusted funds and borrowings where the Bank bears risks	133,978	1,579,163	-		1,713,141
Valuable papers issued	-	116	-		116
Other liabilities	956,961	970,305	340,314		2,267,580
Total liabilities	5,992,984	174,513,269	96,632,385		277,138,638
Balance sheet currency position	200,748	9,744,367	108,922		10,054,037

(*) Excluding provision.



46. 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 separate financial statements to the nearest interest rate re-pricing term of assets and capital. The following assumptions and conditions have been adopted in the analysis of the re-pricing period of the Bank's assets and liabilities:

- Cash; balances with the SBV; fixed assets; capital contribution, long-term investments and other liabilities are classified as non-interest-bearing items;
- The maturity of trading securities is calculated on the basis of the probable time to convert bonds into cash because this portfolio includes highly liquid bonds with fixed interest rates;
- The 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.

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.

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

FORM B05/TCTD

	Non-interest bearing	Overdue			Current						Total
		Over 03 months	Up to 03 months	Up to 01 month	From 01 to 03 months	From 03 to 06 months	From 06 to 12 months	From 01 to 05 years	Over 05 years		
		VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million		
Assets											
Cash	9,610,410	-	-	-	-	-	-	-	-	9,610,410	
Balances with the State Bank of Vietnam	40,596,555	-	-	-	-	-	-	-	-	40,596,555	
Placements with and loans to other credit institutions	-	-	-	227,243,305	11,933,643	26,853,689	10,753,957	-	-	276,784,594	
Trading securities (*)	-	-	-	63,118	-	-	-	-	-	63,118	
Loans to customers (*)	-	16,395,444	22,645,316	491,774,911	336,811,923	418,849,791	140,961,249	32,020,189	1,305,785	1,460,764,608	
Investment securities (*)	4,386,104	-	-	4,701,000	22,642,000	37,416,000	31,291,000	6,062,530	71,378,811	177,877,445	
Capital contribution, long-term investments	5,835,582	-	-	-	-	-	-	-	-	5,835,582	
Fixed assets	9,895,243	-	-	-	-	-	-	-	-	9,895,243	
Other assets (*)	32,282,969	79,156	-	4,217,996	12,614,571	4,620,646	3,699,794	-	-	57,515,132	
Total assets	102,606,863	16,474,600	22,645,316	728,000,330	384,002,137	487,740,126	186,706,000	38,082,719	72,684,596	2,038,942,687	
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	-	-	-	259,360,233	27,657,144	4,620,646	3,699,794	-	-	295,337,817	
Deposits from customers	-	-	-	616,710,598	268,473,172	239,438,949	233,545,041	51,246,290	3,638	1,409,417,688	
Derivative financial instruments and other financial liabilities	-	-	-	552,633	-	-	-	-	-	552,633	
Grants, trusted funds and borrowings where the Bank bears risks	-	-	-	-	1,548,148	615,851	-	-	-	2,163,999	
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	44,843,702	-	-	-	-	-	-	-	-	44,843,702	
Total liabilities	44,843,702	-	-	898,797,088	320,811,134	278,201,469	289,459,800	52,498,840	4,893,638	1,889,505,671	
Balance sheet net interest gap	57,763,161	16,474,600	22,645,316	(170,796,758)	63,191,003	209,538,657	(102,753,800)	(14,416,121)	67,790,958	149,437,016	

(*) Excluding provision

47. LIQUIDITY RISK

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

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

At monthly ALCO Council meetings, fund balance and liquidity of the Bank is one of the key contents to be discussed. At Risk Management Committee, Risk Council meetings, the compliance with liquidity risk appetite and risk capacity is also reviewed and reported. Based on analysis and evaluation, 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 separate financial statements until the payment date regulated in the contract or terms of issuance.

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

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

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

Based on the projection of available capital, the Asset & Liability Management Department and the Financial Planning & Management Department in cooperation with the Treasury 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 SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B05/TCTD

	Overdue			Current				Total
	Over 03 months	Up to 03 months	Up to 01 month	From 01 to 03 months	From 03 to 12 months	From 01 to 05 years	Over 05 years	
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Assets								
Cash	-	-	9,610,410	-	-	-	-	9,610,410
Balances with the SBV	-	-	40,596,555	-	-	-	-	40,596,555
Placements with and loans to other credit institutions	-	-	227,243,305	11,933,643	37,607,646	-	-	276,784,594
Trading securities (*)	-	-	63,118	-	-	-	-	63,118
Loans to customers (*)	16,395,444	22,645,316	107,662,609	313,742,807	587,577,891	187,120,394	225,620,147	1,460,764,608
Investment securities (*)	-	-	8,710,488	22,642,000	68,707,000	6,062,530	71,755,427	177,877,445
Capital contribution, long-term investments	-	-	-	-	-	-	5,835,582	5,835,582
Fixed assets	-	-	-	-	-	-	9,895,243	9,895,243
Other assets (*)	79,156	-	6,922,771	17,953,073	16,607,575	1,889,973	14,062,584	57,515,132
Total assets	16,474,600	22,645,316	400,809,256	366,271,523	710,500,112	195,072,897	327,168,983	2,038,942,687
Liabilities								
Borrowings from the Government and the SBV	-	-	21,054,176	-	759,929	-	-	21,814,105
Deposits and borrowings from other credit institutions	-	-	259,360,233	16,742,394	19,235,190	-	-	295,337,817
Deposits from customers	-	-	196,670,752	274,730,705	596,948,820	341,049,553	17,858	1,409,417,688
Derivative financial instruments and other financial liabilities	-	-	552,633	-	-	-	-	552,633
Grants, trusted funds and borrowings where the Bank bears risks	-	-	135,606	39,642	43,524	356,452	1,588,775	2,163,999
Valuable papers issued	-	-	1,119,448	23,132,670	49,098,329	452,550	41,572,730	115,375,727
Other liabilities	-	-	18,346,378	15,767,763	8,715,318	2,014,243	-	44,843,702
Total liabilities	-	-	497,239,226	330,413,174	674,801,110	343,872,798	43,179,363	1,889,505,671
Net liquidity difference	16,474,600	22,645,316	(96,429,970)	35,858,349	35,699,002	(148,799,901)	283,989,620	149,437,016

(*) Excluding provision.

48. 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 separate financial statement as 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	276,784,594	-	-	276,784,594
- <i>Placements with other credit institutions</i>	260,206,169	-	-	260,206,169
- <i>Loans to other credit institutions</i>	16,578,425	-	-	16,578,425
Loans to customers	1,405,232,090	756,031	54,776,487	1,460,764,608
Investment securities	177,490,657	-	386,788	177,877,445
- <i>Available-for-sale investment securities</i>	177,090,657	-	10	177,090,667
- <i>Held-to-maturity investment securities</i>	400,000	-	386,778	786,778
Total	1,859,507,341	756,031	55,163,275	1,915,426,647

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

	<u>Closing balance</u>	<u>Opening balance</u>
	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

50. 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 separate financial statements.

51. COMPARATIVE FIGURES

The comparative figures are the figures of the audited separate 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:

Separate statement of financial position

Items	Opening balance (Published figures)	Adjustments VND Million	Opening balance (Restated)
	VND Million		VND Million
Loans to customers	1,234,635,168	372,588	1,235,007,756
Loans to customers	1,264,176,643	21,985	1,264,198,628
Provisions for credit losses of loans to customers	(29,541,475)	350,603	(29,190,872)
Fixed assets	9,978,145	1,166	9,979,311
Tangible fixed assets	5,901,915	373	5,902,288
<i>Cost</i>	<i>15,879,268</i>	<i>393</i>	<i>15,879,661</i>
<i>Accumulated depreciation</i>	<i>(9,977,353)</i>	<i>(20)</i>	<i>(9,977,373)</i>
Intangible assets	4,076,230	793	4,077,023
<i>Cost</i>	<i>6,642,707</i>	<i>-</i>	<i>6,642,707</i>
<i>Accumulated amortisation</i>	<i>(2,566,477)</i>	<i>793</i>	<i>(2,565,684)</i>
Other assets	80,144,803	7,350	80,152,153
Other assets	2,837,290	7,350	2,844,640
TOTAL ASSETS	1,793,240,351	381,104	1,793,621,455
Other liabilities	39,352,882	232,453	39,585,335
Other payables and liabilities	18,172,434	232,453	18,404,887
Capital and reserves	104,476,612	148,651	104,625,263
Retained earnings	31,759,036	148,651	31,907,687
TOTAL LIABILITIES AND OWNERS' EQUITY	1,793,240,351	381,104	1,793,621,455

Off-balance-sheet items

Items	Opening balance (Published figures)	Adjustments VND Million	Opening balance (Restated)
	VND Million		VND Million
Other guarantees	78,201,955	(17,973)	78,183,982
Uncollected loan interest and fees	8,341,331	350	8,341,681
Bad debts written-off	116,480,493	(17,223)	116,463,270
Other properties and valuable papers	101,995,068	(4,137,388)	97,857,680

Separate income statement

Items	Prior year (Published figures)	Prior year	
		Adjustments	(Restated)
Other operating income	7,320,352	486	7,320,838
Net profit from other activities	6,422,489	486	6,422,975
Operating expenses	(17,889,022)	(187,260)	(18,076,282)
Net profit from operating activities before credit provision expenses	44,449,144	(186,774)	44,262,370
Provision expenses for credit losses	(24,096,462)	372,588	(23,723,874)
Profit before tax	20,352,682	185,814	20,538,496
Current corporate income tax expense	(3,973,674)	(37,163)	(4,010,837)
Corporate income tax expense	(3,973,674)	(37,163)	(4,010,837)
Profit after corporate income tax	16,379,008	148,651	16,527,659

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
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Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



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Nguyen Tran Manh Trung
Deputy General Director

29 March 2024