

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

**REVIEWED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

For the 6-month period ended 30 June 2024

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



TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS	3 - 4
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	5 - 7
INTERIM CONSOLIDATED INCOME STATEMENT	8
INTERIM CONSOLIDATED CASH FLOW STATEMENT	9 - 10
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS	11 - 57

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 interim consolidated financial statements for the 6-month period ended 30 June 2024.

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

Board of Directors

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

Board of Supervisors

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

Board of Management and Chief Accountant

Mr. Do Thanh Son	Deputy General Director in charge of the Board of Management
Mr. Nguyen Tran Manh Trung	Deputy General Director
Mr. Le Duy Hai	Deputy General Director
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
Mr. Hoang Ngoc Phuong	Deputy General Director (resigned on 28 March 2024)
Mr. Nguyen Hai Hung	Chief Accountant

Authorized person for signing interim consolidated financial statements

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

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Bank is responsible for preparing the interim consolidated financial statements, which give a true and fair view of the interim consolidated financial position of the Bank as at 30 June 2024, and of its interim consolidated financial performance and its interim consolidated cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to interim consolidated financial reporting. In preparing these interim consolidated financial statements, the Board of Management is required to:

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

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

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

For and on behalf of the Board of Management,



Nguyen Tran Manh Trung
Deputy General Director

Hanoi, 14 August 2024

1500-
G TY
HH
TOÁN
ITTI
NAM
- T.P. H

No: 0223/VN1A-HN-BC

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim consolidated financial statements of Vietnam Joint Stock Commercial Bank for Industry and Trade (the "Bank"), prepared on 14 August 2024 as set out from page 05 to page 57, which comprise the interim consolidated statement of financial position as at 30 June 2024, the interim consolidated income statement and the interim consolidated cash flow statement for the 6-month period 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 interim consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to interim consolidated financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a conclusion on these accompanying interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the interim consolidated financial position of the Bank as at 30 June 2024, and its interim consolidated financial performance and its interim consolidated cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to interim consolidated financial reporting.



Khúc Thị Lan Anh

Deputy General Director

Audit Practising Registration Certificate

No. 0036-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

14 August 2024

Hanoi, S.R. Viet Nam

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

Unit: VND Million

NO. ITEMS	Notes	Closing balance	Opening balance
A. ASSETS			
I. Cash, gold and gemstones		9,457,900	9,759,580
II. Balances with the State Bank of Vietnam ("SBV")		28,980,462	40,597,059
III. Placements with and loans to other credit institutions		351,233,814	279,841,639
1. Placements with other credit institutions		334,405,051	259,230,017
2. Loans to other credit institutions		16,828,763	20,611,622
IV. Trading securities	5	2,259,106	2,487,905
1. Trading securities		2,439,833	2,676,130
2. Provisions for impairment of trading securities		(180,727)	(188,225)
V. Loans to customers		1,543,489,193	1,445,571,643
1. Loans to customers	7	1,571,529,403	1,473,344,564
2. Provisions for credit losses of loans to customers	8	(28,040,210)	(27,772,921)
VI. Investment securities	9	159,855,150	181,210,531
1. Available-for-sale investment securities	9.1	149,246,016	180,595,473
2. Held-to-maturity investment securities	9.2	11,003,443	864,999
3. Provisions for impairment of investment securities		(394,309)	(249,941)
VII. Capital contribution, long-term investments	10	3,743,822	3,426,483
1. Investments in joint ventures	10.1	3,523,791	3,206,452
2. Other long-term investments		234,462	234,462
3. Provisions for impairment of long-term investments		(14,431)	(14,431)
VIII. Fixed assets		9,763,538	10,125,534
1. Tangible fixed assets		5,870,057	6,133,262
a. Cost		16,701,070	16,641,464
b. Accumulated depreciation		(10,831,013)	(10,508,202)
2. Intangible assets		3,893,481	3,992,272
a. Cost		6,837,646	6,804,407
b. Accumulated amortisation		(2,944,165)	(2,812,135)
IX. Other assets	11	52,653,317	59,593,232
1. Other receivables	11.1	36,347,991	41,454,754
2. Interest and fee receivables		12,966,987	14,761,581
3. Other assets	11.2	3,445,329	3,483,594
4. Provisions for impairment of other balance sheet assets	11.3	(106,990)	(106,697)
TOTAL ASSETS		2,161,436,302	2,032,613,606

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2024

Unit: VND Million

NO. ITEMS	Notes	Closing balance	Opening balance
B. LIABILITIES AND OWNERS' EQUITY			
I. Borrowings from the Government and the SBV	12	111,854,927	21,814,105
1. Deposits and borrowings from the Government and the SBV		108,330,940	21,814,105
2. Repos of government bonds with the State Treasury		3,523,987	-
II. Deposits and borrowings from other credit institutions	13	297,408,527	304,321,721
1. Deposits from other credit institutions	13.1	249,373,882	259,892,746
2. Borrowings from other credit institutions	13.2	48,034,645	44,428,975
III. Deposits from customers	14	1,466,830,363	1,410,899,038
IV. Derivative financial instruments and other financial liabilities	6	1,378,025	555,946
V. Grants, trusted funds and borrowings where the Bank bears risks	15	2,232,594	2,237,779
VI. Valuable papers issued	16	100,256,876	115,375,727
VII. Other liabilities		45,502,136	51,537,470
1. Accrued fee and interest expenses		22,420,600	27,999,187
2. Deferred tax liabilities		171	171
3. Other payables and liabilities	17	21,501,029	22,136,868
4. Other provisions		1,580,336	1,401,244
TOTAL LIABILITIES		2,025,463,448	1,906,741,786
VIII. Capital and reserves	19	135,972,854	125,871,820
1. Contributed capital		63,510,626	63,510,626
<i>a. Charter capital</i>		53,699,917	53,699,917
<i>b. Share premium</i>		8,974,677	8,974,677
<i>c. Other capital</i>		836,032	836,032
2. Reserves		19,070,977	19,043,575
3. Foreign exchange reserves		182,531	86,970
4. Retained earnings		52,284,565	42,369,429
5. Non-controlling interests		924,155	861,220
TOTAL LIABILITIES AND OWNERS' EQUITY		2,161,436,302	2,032,613,606

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2024

Unit: VND Million

OFF-BALANCE-SHEET ITEMS

NO.	ITEMS	Notes	Closing balance	Opening balance
1.	Credit guarantees	28	8,143,710	8,785,288
2.	Foreign exchange transactions commitments	28	812,148,660	726,235,823
	<i>Foreign currency purchase commitments</i>		5,630,041	1,407,060
	<i>Foreign currency sale commitments</i>		5,629,422	1,405,874
	<i>Cross currency swap contracts</i>		800,889,197	723,422,889
3.	Letters of credit (L/C) commitments	28	48,706,604	55,986,789
4.	Other guarantees	28	95,438,156	102,201,746
5.	Other commitments	28	74,481,205	68,704,794
6.	Uncollected interest income and fees		10,028,287	9,609,251
7.	Bad debts written-off		168,706,732	147,630,472
8.	Other properties and valuable papers		90,018,239	91,656,083

Prepared by



Tran Thi Thu Huong
Deputy Head of Financial
Accounting Department

Approved by



Nguyen Hai Hung
Chief Accountant

Approved by



Nguyen Tran Manh Trung
Deputy General Director

14 August 2024

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

INTERIM CONSOLIDATED INCOME STATEMENT

For the 6-month period ended 30 June 2024

Unit: VND Million

NO. ITEMS	Notes	Current period	Prior period
1. Interest and similar income	20	61,090,244	66,876,837
2. Interest and similar expenses	21	(30,577,121)	(41,453,196)
I. Net interest income		30,513,123	25,423,641
3. Income from services		6,270,090	6,243,278
4. Expenses on services		(2,605,101)	(2,458,428)
II. Net profit from services		3,664,989	3,784,850
III. Net gain from trading foreign currencies		2,530,322	2,349,416
IV. Net gain from trading securities	22.1	62,902	229,524
V. Net (loss)/gain from investment securities	22.2	(139,710)	16,856
5. Other operating income		3,417,913	3,281,798
6. Other operating expenses		(1,552,581)	(483,693)
VI. Net profit from other activities		1,865,332	2,798,105
VII. Income from equity investments in other entities	23	210,368	187,583
VIII. Operating expenses	24	(9,881,200)	(9,057,270)
IX. Net profit from operating activities before credit provision expenses		28,826,126	25,732,705
X. Provision expenses for credit losses		(15,865,898)	(13,202,174)
XI. Profit before tax		12,960,228	12,530,531
7. Current corporate income tax expense	25	(2,548,345)	(2,435,675)
XII. Corporate income tax expense		(2,548,345)	(2,435,675)
XIII. Profit after corporate income tax		10,411,883	10,094,856
XIV. Non-controlling interests		87,778	85,173
XV. Profit attributable to the owners of the Bank		10,324,105	10,009,683
XVI. Basic earnings per share (VND)	26	1,923	1,864

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

14 August 2024

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the 6-month period ended 30 June 2024

Unit: VND Million

NO. ITEMS	Current period	Prior period
CASH FLOW FROM OPERATING ACTIVITIES		
01. Interest and similar income received	62,870,157	65,760,659
02. Interest and similar expenses paid	(36,236,656)	(33,307,061)
03. Income received from services	3,606,988	3,489,207
04. Net cash received from trading foreign currencies, gold and securities	3,388,152	2,541,394
05. Other (expense)/income	(688,627)	335,209
06. Cash recovered from bad debts written off or compensated by provision for credit losses	2,123,283	2,014,323
07. Payments to employees and for operating management	(10,390,971)	(8,701,662)
08. Corporate income tax paid for the year	(4,320,101)	(4,069,548)
Net cash from operating profit before movements in assets and working capital	20,352,225	28,062,521
Movements in operating assets	(62,266,965)	(62,370,283)
09. Changes in placements with and loans to other credit institutions	24,391,402	8,606,837
10. Changes in trading securities	21,633,081	(742,159)
11. Changes in derivatives and other financial assets	-	1,687,783
12. Changes in loans to customers	(98,184,839)	(84,534,972)
13. Changes in provisions for credit losses	(15,598,609)	(13,738,034)
14. Changes in other operating assets	5,492,000	26,350,262
Movements in operating liabilities	126,299,193	36,785,317
15. Changes in borrowings from the Government and the SBV	90,040,822	(99,341,104)
16. Changes in deposits and borrowings from other credit institutions	(6,913,194)	54,507,966
17. Changes in deposits from customers	55,931,325	60,872,417
18. Changes in valuable papers issued (excluding issued valuable papers charged to financial activities)	(15,118,851)	21,247,940
19. Changes in grants, trusted funds and borrowings where the Bank bears risks	(5,185)	13,911
20. Changes in derivatives and other financial liabilities	822,079	-
21. Changes in other operating liabilities	1,542,197	(515,813)
I. Net cash generated by operating activities	84,384,453	2,477,555

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the 6-month period ended 30 June 2024

Unit: VND Million

NO. ITEMS	Current period	Prior period
CASH FLOWS FROM INVESTING ACTIVITIES		
01. Acquisition of fixed assets	(438,186)	(306,472)
02. Proceeds from sales, disposals of fixed assets	4,969	2,848
03. Expenses on sales, disposal of fixed assets	(1,514)	(296)
04. Proceeds from investments in other entities	-	-
05. Dividends and profit received from long-term investments and capital contribution	7,056	34,833
II. Net cash (used in) investing activities	(427,675)	(269,087)
CASH FLOWS FROM FINANCING ACTIVITIES		
01. Receipts from selling treasury shares	1,537	-
III. Net cash (generated by) financing activities	1,537	-
IV. Net increase in cash	83,958,315	2,208,468
V. Cash and cash equivalents at the beginning of the period	272,303,607	244,298,220
VI. Effects of changes in foreign exchange rates	92,756	(129,292)
VII. Cash and cash equivalents at the end of the period (Note 27)	356,354,678	246,377,396

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

14 August 2024

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

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

Establishment and operation

The Bank was incorporated on the basis of equitizing Vietnam Bank for Industry and Trade, a State-owned commercial bank that was incorporated under the name of Vietnam Industrial and Commercial Bank in accordance with Decree No. 53/ND-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/QD-NH5 dated 21 September 1996 of the Governor of the SBV. On 25 December 2008, Vietnam Bank for Industry and Trade successfully carried out its initial public offering.

On 03 July 2009, the Bank was equitized and renamed Vietnam Joint Stock Commercial Bank for Industry and Trade according to Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 issued by the SBV and Business Registration Certificate No. 0103038874 dated 03 July 2009 issued by Hanoi Authority for Planning and Investment. The latest (13th) amended Enterprise Registration Certificate No. 0100111948 was issued by Hanoi Authority for Planning and Investment on 08 January 2024. On 17 June 2022, the SBV granted Establishment and Operation License No. 13/GP-NHNN to replace the Establishment and Operation License No. 142/GP-NHNN dated 03 July 2009 and amending and supplementing decisions relating thereto from 2017 to 2021. The latest amending and supplementing decision related to the Establishment and Operation License was issued by the SBV on 28 December 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.

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 30 June 2024, 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 30 June 2024, the Bank has one (01) Head Office; two (02) local representative offices (in Da Nang and Ho Chi Minh City) and one (01) overseas representative office in Myanmar; eight (08) administrative units including: one (01) School of Human Resource Development and Training, one (01) Card centre, one (01) Trade Finance Centre, five (05) Cash management centres; one hundred and fifty seven (157) branches and nine hundred and fifty six (956) transaction offices (including two (02) overseas branches).

Subsidiaries

As at 30 June 2024, the Bank has seven (07) subsidiary companies and one (01) subsidiary bank as follows:

No.	Name	Operating Licence	Nature of business	Proportion of ownership
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	Finance and banking	100%

No.	Name	Operating Licence	Nature of business	Proportion of ownership
		Planning and Investment, the 11 th amendment dated 01 June 2022		
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. 46/GPDC-UBCK dated 21 June 2024	Fund management	100%
7	VietinBank Global Money Transfer Company	Enterprise Registration Certificate No. 0105757686 dated 03 January 2012 issued by Hanoi Authority for Planning and Investment, the 1 st amendment dated 13 March 2015	Monetary transfer intermediary	100%
8	VietinBank Lao Limited	Enterprise Registration Certificate No. 068/NHCHDCNDL dated 08 July 2015 granted by Bank of the Lao P.D.R and Amended License No. 2947/Chtaw dated 27 September 2023	Finance and banking	100%

Employees

The total number of employees of the Bank and its subsidiaries as at 30 June 2024 was 24,698 (as at 31 December 2023: 24,642).

Disclosure of information comparability in the interim consolidated financial statements

The comparative figures of the interim consolidated statement of financial position and the corresponding notes are the figures of the Bank's audited consolidated financial statements for the year ended 31 December 2023.

The comparative figures of the interim consolidated income statement, interim cash flow statement and the corresponding notes are the figures of the Bank's reviewed interim consolidated financial statements for the 6-month period ended 30 June 2023.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

The accompanying interim consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with the Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to interim consolidated financial reporting. However, due to the Bank's large scale of operation, for the purpose of preparing these interim consolidated financial statements, the figures are rounded to and presented in millions of Vietnamese Dong (VND Million). This presentation does not materially impact the interim consolidated financial statements in terms of the interim consolidated financial position, the interim consolidated results of operations and interim consolidated cash flows of the Bank. With regard to the number of shares, the Bank presented the items in Note 19.3.

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

Accounting period

The Bank's financial year begins on 01 January and ends on 31 December. The accompanying interim consolidated financial statements were prepared for the 6-month period ended 30 June 2024.

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

Adoption of new accounting guidance

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

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

The Bank's Board of Management has applied Circular 06 in the interim consolidated financial reporting for the 6-month period ended 30 June 2024.

New guidances in issue but not yet effective

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

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

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

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

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

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

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

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

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

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

- For debts whose interest are exempted or reduced in according to the State Bank's regulations on restructuring debt repayment terms, exempting or reducing interest and fees, maintaining the debt group to support customers affected by Covid-19 are allowed to be reclassified into lower risk debt groups (including group 1) when fully meeting the conditions as prescribed in Circular 31;
- The deductible value of collateral must be deemed to be nil (0) in certain cases as specified in Decree 86; and
- Other debts arising between credit institutions and foreign bank branches in Vietnam from activities governed by Decree 86 are not subject to general provisioning.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

The interim consolidated financial statements incorporate the interim separate financial statements of the Bank and the interim financial statements of the enterprises/bank controlled by the Bank (its subsidiaries) for the 6-month period ended 30 June 2024. Control is achieved when the Bank has the power to govern the financial and operating policies of investee enterprises so as to obtain benefits from their activities.

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

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

Business combinations

On acquisition, the assets, liabilities and contingent liabilities of the subsidiaries are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is recognized in the consolidated results of operations for the accounting period in which the acquisition of subsidiaries occurred.

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

Investments in joint ventures

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

Foreign currencies

According to the Bank's accounting system, all transactions are recorded in original currencies. At the time of the interim consolidated financial statements, monetary assets and liabilities denominated in foreign currencies are translated into VND using the average buying and selling spot exchange rates at the close of business of the period-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 30 June 2024 in Note 36). Otherwise, the Bank uses the weighted average buying and selling exchange rates ruling at the period-end date for conversion. Income and expenses arising in foreign currencies of the Bank are converted into VND at the exchange rates ruling at the transaction dates. Foreign exchange differences arising from the re-evaluation of monetary assets and liabilities from foreign currencies into VND are recognized to the interim consolidated income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash, gold, gemstones, current accounts at the SBV, treasury bills and other short-term valuable papers that are qualified for being discounted at the SBV, current accounts, 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 principal amounts outstanding at the end of the reporting period.

The credit risk classification for placements with and loans to other credit institutions and the corresponding provisioning shall comply with the provisions of Circular No. 11/2021/TT-NHNN dated 30 July 2021 ("Circular 11") of the SBV. Accordingly, the Bank makes specific provisions for deposits (except for current accounts and placements with Vietnam Bank for Social Policies in accordance with the regulations of the SBV on maintaining balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and making deposits at overseas credit institutions and loans to other credit institutions in a similar way to those for loans to customers.

Derivatives

Foreign currency forward and swap contracts

For foreign currency forward and swap contracts, the difference between equivalent VND amounts of foreign currency purchase/sale commitments using 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 interim consolidated statement of financial position. The difference is subsequently allocated to "Net gain/(loss) from foreign currency trading" item over the term of the contract.

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

Interest rate swap contracts

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

Loans to customers

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

Provision for credit losses

Classification of loans and provision for credit losses

In accordance with Circular 11, credit institutions are required to implement loan classification and credit risk provisioning. Loan classification and credit risk provisioning in compliance with Circular 11 are applied to Assets (hereinafter referred to as "debts") including:

- Loans;
- Finance leasing;
- Discounts, rediscounts of negotiable instruments and other valuable papers;

- Factoring;
- Credit facilities in the form of credit card issuance;
- Payments on behalf under off-balance-sheet commitments;
- Amounts for purchase and entrustment of purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on stock exchanges nor registered for trading on the UPCoM trading system (hereinafter referred to as unlisted bonds), excluding the purchase of unlisted bonds with trusted funds to which the trustee bears the risk;
- Credit granting entrustment;
- Deposits (except for current accounts and deposits at Vietnam Bank for Social Policies in accordance with regulations of the SBV on maintaining balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and deposits at overseas credit institutions;
- Debt sale and purchase according to the State Bank's regulations on buying and selling debt;
- Repos of Government bonds in the stock market in accordance with law on issuance, registration, depository, listing and trading of Government debt securities in the stock market; 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 and its subsidiaries maintain the debt group for a number of loans in accordance with the provisions of Circular No. 10/2015/TT-NHNN dated 22 July 2015 and Circular No. 25/2018/TT-NHNN dated 24 October 2018 of the SBV amending and supplementing a number of articles of Circular No. 10/2015/TT-NHNN guiding the implementation of some contents of the Government's Decree No. 55/2015/ND-CP dated 09 June 2015 ("Decree 55") on credit policies for agricultural and rural development; Circular 02 and Circular 06 of SBV amending and supplementing a number of articles of Circular 02 providing instructions for credit institutions and foreign bank branches on debt rescheduling and debt category maintaining to assist customers in difficulty and documents of the SBV on debt classification and risk provisioning.

Loans are classified by risk level into following groups: Standard, Special mention, Substandard, Doubtful and Loss. Loans classified as either Substandard, Doubtful or Loss are considered as bad debts. Loan classification and provision for credit losses will be made at the end of each month and recognized in the following month. Provision for credit losses as at 30 June is recognized in the interim consolidated income statement for that period.

The specific provision as at 30 June is calculated by subtracting the discounted value of collateral from the outstanding loan balance multiplied by the specific provision rate based on the loan classification result at the period-end. The specific provision rate for each debt group according to Circular 11 is prescribed as follows:

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

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

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

In accordance with Circular 11, a general provision is made for credit losses which are yet to be identified during the loan classification and specific provisioning process as well as in cases where the Bank encounters potential financial difficulty due to the deterioration in loan quality. Accordingly, the Bank is required to fully make and maintain a general provision at 0.75% of total loan balance which are classified in groups 1 to 4, excluding deposits at domestic credit institutions, foreign bank branches in Vietnam in accordance with law and at overseas credit institutions; loans, termed purchase of valuable papers among credit institutions and foreign bank branches in Vietnam; purchases of promissory notes, bills, certificates of deposit or bonds issued locally by other credit institutions and foreign bank branches; and repurchase agreements of Government bonds in accordance with Circular 11.

Write-off of bad debts

Provisions are recognized in the interim consolidated income statement as an expense and used to write off bad debts. In accordance with Circular 11, the Bank must set up Risk Management Committee to write off bad debts if they are classified into Group 5, or if borrowers are either liquidated or bankrupted legal entities or deceased or missing individuals.

Classification of off-balance-sheet commitments

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

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

Investments

Trading securities

Trading securities include debt securities, equity securities and other securities that the Bank and/or its subsidiaries has acquired and held for the purpose of reselling in the short term to gain profit on price variance. Trading securities are recognized at cost at the date of transaction and subsequently recorded at cost during the holding period. Interest and cash dividends derived from trading securities are recognized on a cash basis in the interim consolidated income statement.

These securities are subject to impairment review at the date of the interim consolidated financial statements. Provisions for securities that are stipulated in the scope of Circular 11 (as described in the summary of significant accounting policies for "Provision for credit losses") are made in accordance with Circular 11. Provisions for impairment of securities that are not stipulated in the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recognized in the interim consolidated income statement as "Net gain/ (loss) from trading securities".

26
G
HH
TO
11
N
-1

Investment securities

Available-for-sale investment securities

Available-for-sale securities include debt and equity securities that are acquired by the Bank and/or its subsidiaries for investment and available-for-sale purposes, not frequently traded but can be sold at any time they are profitable. For equity securities, the Bank and/or its subsidiaries is neither the founding shareholder nor the strategic partner of the investees 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 amortized into the interim consolidated income statement using the straight-line method over the estimate remaining term of securities. The interest received during the securities term is recorded as follows: accumulative interest income before the purchasing date is recorded as a decrease from the cost of such securities and the same amount is credited into the accrued interest income; accumulative interest income after the purchasing date is recognized as the Bank's income on an accrual basis. Interest received in advance is recorded as income from securities investment using the straight-line method over the period of securities investment.

Periodically, available-for-sale securities are subject to impairment review. Provisions for securities that are stipulated in the scope of Circular 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 interim consolidated income statement as "Net gain/(loss) from investment securities".

Held-to-maturity investment securities

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

Periodically, held-to-maturity securities are subject to impairment review. Provisions for securities that are fallen within the scope of Circular 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 interim consolidated income statement as "Net gain/(loss) from investment securities".

Reclassification

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

Other long-term investments

Other long-term investments represent the Bank's capital investments in other enterprises at which term for holding, revocation or payment is over 1 year and 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, long-term investments are made when the investee is operating at loss in accordance with prevailing accounting regulations.

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

Recognition

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

Derecognition

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

Repurchase and Reverse Repurchase Agreements

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

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

Trust activities and trusted funds

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

Tangible fixed assets

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

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

Intangible fixed assets

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

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

Leasing

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

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

Depreciation and amortization

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

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

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

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 interim consolidated income statement using the straight-line method over the rental period.

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

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

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 interim consolidated income statement during the period.

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

Other provisions

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

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.

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

- VietinBank Securities Joint Stock Company and VietinBank Fund Management Company Limited: reserves are appropriated from their net profit after tax according to Circular No. 114/2021/TT-BTC dated 17 December 2021 ("Circular 114") annulling entirely Circular No. 146/2014/TT-BTC dated 06 October 2014 ("Circular 146") issued by the Ministry of Finance, as follows:
 - The balance of the supplementary charter capital reserve built up according to the provisions of Circular 146 is used to supplement the charter capital in accordance with the provisions of Law on Securities No. 54/2019/QH14 dated 26 November 2019 issued by the National Assembly ("Law on Securities No. 54"), related guiding documents and the Charter on organization and operation of these companies;
 - The balance of the operational risk and financial reserve built up according to the provisions of Circular 146 is used to supplement the charter capital or in accordance with decision of the General Shareholders' Meeting, Board of Members or Chairman/President in accordance with the provisions of Law on Securities No. 54, related guiding documents and the Charter on organization and operation of these companies, ensuring that the financial safety ratios are met as prescribed by securities law.

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

Revenue and expenses

Interest and similar income/expenses

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

Income from interest on securities 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 interim consolidated income statement for the period. These accruals are recorded as off-balance-sheet items and are only recognized in the interim consolidated income statement upon actual receipt.

Insurance income and expenses

For direct premium insurance transactions

Gross direct premiums are recognized in accordance with Circular 67. Accordingly, gross direct premiums are recognized when one of the following conditions is met: (1) the insurance contract has been entered into by the insurer and the insured, who have fully paid premiums; (2) there is evidence that the insurance contract has been signed and the insured has fully paid the premiums; and (3) the insurance contract is signed and there is an agreement between the insurer and the insured for delayed payment of insurance premium, and in this case, the insurer will still record the premium amount as an income for the current year even though the amount has not been paid by the insured. The premium payment period is no longer than 30 days from the effective date of the insurance policy.

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

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

Insurance claim expenses are recognized when the claim documents are completed and approved by the authorized person. In case that the final claim amount has not been finalized, but the insurer is certain that the loss is within its insured liabilities and has paid an advance to the customer as per their request, such advance would also be recognized as claim expense. The claims which have not been approved as at the reporting date are considered as outstanding claims and included in claim reserves.

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

For reinsurance transactions

(i) Reinsurance ceded

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

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

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

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

(ii) Reinsurance assumed

Reinsurance assumed under treaty reinsurance:

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

Reinsurance assumed under facultative reinsurance:

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



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

Revenue from other services

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

Recognition of uncollectible receivables

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/operation period or recorded as other expenses if accrued in different financial year/operating period and monitored off-balance-sheet for collection. Upon actual receipt of these receivables, the Bank recognizes them as income according to the nature of the income in the consolidated income statement.

Expenses recognition principle

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

Taxation

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

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

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

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

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

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

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

Employee benefits

Post-employment benefits

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

Severance allowance

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

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 and its subsidiaries in Vietnam are obliged to pay unemployment insurance to eligible employees at 1% of their salary fund allocated for unemployment insurance.

Related parties

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

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

Technical reserves for insurance activities

The technical reserves are calculated in accordance with Circular 67 and Official Letter approved by the Ministry of Finance including Official Letter No. 2821/BTC-QLBH dated 13 March 2018 and Official Letter No. 1916/BTC-QLBH dated 28 February 2022. Details are as follows:

Technical reserves for non-life insurance

Unearned premium reserve

For non-life insurance policies, reinsurance policies (“insurance policy”), unearned premium reserve is made based on the coefficient of the insurance policy duration, applying the 1/8 method for making premium provision on the basis of premium.

Claim reserve

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

For losses incurred but not reported (“IBNR”):

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

Catastrophe reserve

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

Technical reserve for health insurance

Mathematical reserve

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

Unearned premium reserve

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

Claim reserve

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

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

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

Equalization reserve

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

Offsetting

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

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

91
:ON
TN
EM
LC
ET
D/

5. TRADING SECURITIES

	Closing balance	Opening balance
	VND Million	VND Million
Debt securities	1,178,973	1,489,551
Government bonds	406,353	348,604
Debt securities issued by other domestic credit institutions	527,520	509,047
Debt securities issued by domestic economic entities	245,100	631,900
Equity securities	1,260,860	1,186,579
Equity securities issued by other domestic credit institutions	335,581	365,172
Equity securities issued by domestic economic entities	925,279	821,407
	2,439,833	2,676,130
Provisions for impairment of trading securities	(180,727)	(188,225)
Provision for impairment	(151,100)	(154,106)
General provision	(1,647)	(4,739)
Specific provision	(27,980)	(29,380)
	2,259,106	2,487,905

6. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

	Net book value (at exchange rate as at the reporting date)		
	Assets	Liabilities	Net amount
	VND Million	VND Million	VND Million
As at 30/6/2024			
Currency derivative financial instruments	15,273	(1,243,501)	(1,228,228)
- Forward contracts	-	(1,074,704)	(1,074,704)
- Swap contracts	15,273	(168,797)	(153,524)
Interest rate derivative financial instruments	-	(149,797)	(149,797)
	15,273	(1,393,298)	(1,378,025)
As at 31/12/2023			
Currency derivative financial instruments	-	(467,558)	(467,558)
- Forward contracts	-	(347,868)	(347,868)
- Swap contracts	-	(119,690)	(119,690)
Interest rate derivative financial instruments	-	(88,388)	(88,388)
	-	(555,946)	(555,946)

7. LOANS TO CUSTOMERS

	Closing balance	Opening balance
	VND Million	VND Million
Loans to domestic economic entities and individuals	1,554,944,910	1,456,819,171
Discounting promissory notes and valuable papers	1,784,854	1,729,508
Finance leases	5,158,875	5,397,349
Payment made on behalf of customers	240,167	226,988
Loans by grants, investment trusts	-	10,668
Loans to foreign organizations and individuals	9,400,597	9,160,880
	1,571,529,403	1,473,344,564

Analysis of loan portfolio by quality

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Standard loans	1,524,254,830	1,433,907,162
Special mention loans	22,628,828	22,829,070
Sub-standard loans	3,344,041	2,508,483
Doubtful loans	13,456,044	4,721,294
Loss loans	7,845,660	9,378,555
	<u>1,571,529,403</u>	<u>1,473,344,564</u>

Analysis of loans portfolio by original term

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Short-term loans (Up to 1 year)	1,042,950,692	961,733,146
Medium-term loans (From 1 to 5 years)	92,391,481	86,853,938
Long-term loans (Above 5 years)	436,187,230	424,757,480
	<u>1,571,529,403</u>	<u>1,473,344,564</u>

8. PROVISIONS FOR CREDIT LOSSES ON LOANS TO CUSTOMERS

Movements in provisions for credit losses on loans to customers for the 6-month period ended 30 June 2024 are as follows:

	<u>General provision</u>	<u>Specific provision</u>	<u>Total</u>
	VND Million	VND Million	VND Million
Opening balance	10,953,175	16,819,746	27,772,921
Provision made for the period	770,011	15,095,887	15,865,898
Provision used to write off bad debts for the period	-	(15,598,609)	(15,598,609)
Closing balance	<u>11,723,186</u>	<u>16,317,024</u>	<u>28,040,210</u>

Movements in provisions for credit losses on loans to customers for the 6-month period ended 30 June 2023 are as follows:

	<u>General provision</u>	<u>Specific provision</u>	<u>Total</u>
	VND Million	VND Million	VND Million
Opening balance (Restated)	9,423,152	19,990,078	29,413,230
Provision made for the period	637,262	12,564,912	13,202,174
Provision used to write off bad debts for the period	-	(13,738,034)	(13,738,034)
Closing balance (Restated)	<u>10,060,414</u>	<u>18,816,956</u>	<u>28,877,370</u>

9. INVESTMENT SECURITIES

9.1. Available-for-sale investment securities

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Debt securities	148,790,201	180,218,858
Government bonds	69,393,928	75,593,879
Debt securities issued by other domestic credit institutions	75,372,227	100,838,818
Debt securities issued by domestic economic entities	4,024,046	3,786,161
Equity securities	455,815	376,615
Equity securities issued by domestic economic entities	455,815	376,615
	<u>149,246,016</u>	<u>180,595,473</u>
Provisions for impairment of available-for-sale investment securities	(135,123)	(139,267)
Provisions for impairment	-	(5,494)
General provision	(29,430)	(28,397)
Specific provision	(105,693)	(105,376)
	<u>149,110,893</u>	<u>180,456,206</u>

9.2. Held-to-maturity investment securities

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Debt securities	11,003,443	864,999
Government bonds	539,200	400,000
Debt securities issued by other domestic credit institutions	10,000,070	-
Debt securities issued by domestic economic entities	464,173	464,999
Provisions for impairment of held-to-maturity investment securities	(259,186)	(110,674)
General provision	(2,901)	(3,487)
Specific provision	(256,285)	(107,187)
	<u>10,744,257</u>	<u>754,325</u>

10. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS

Analysis by type of investment

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Investments in joint ventures (see Note 10.1)	3,523,791	3,206,452
Other long-term investments	234,462	234,462
Provisions for impairment of long-term investments	(14,431)	(14,431)
	<u>3,743,822</u>	<u>3,426,483</u>

10.1. Investment in joint venture

	Closing balance			Opening balance		
	Cost equivalent	Net value of investment using equity method	Proportion of ownership interest	Cost equivalent	Net value of investment using equity method	Proportion of ownership interest
	VND Million	VND Million	%	VND Million	VND Million	%
Indovina Bank Ltd.	1,688,788	3,523,791	50	1,688,788	3,206,452	50
	1,688,788	3,523,791		1,688,788	3,206,452	

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 30 June 2024, the charter capital of Indovina Bank Limited is USD 193,000,000, equivalent to VND 3,377,500 million.

11. OTHER ASSETS

11.1. Receivables

	Closing balance	Opening balance
	VND Million	VND Million
Construction in progress (i)	5,616,840	5,570,225
Purchases and major repair of fixed assets	1,163,863	898,437
External receivables	29,280,471	34,820,962
Internal receivables	286,817	165,130
	36,347,991	41,454,754

(i) Construction in progress

	Closing balance	Opening balance
	VND Million	VND Million
Constructions in the Northern region	5,380,914	5,363,006
Constructions in the Central region	78,926	74,894
Constructions in the Southern region	157,000	132,325
	5,616,840	5,570,225

11.2. Other assets

	Closing balance	Opening balance
	VND Million	VND Million
Materials and tools	193,805	233,131
Prepayments awaiting allocation	3,235,001	3,233,940
Other assets	16,523	16,523
	3,445,329	3,483,594

11.3. Provisions for impairment of other on-balance sheet assets

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Provision for bad debts	92,421	91,709
Provision for devaluation of inventories	14,569	14,988
	<u>106,990</u>	<u>106,697</u>

12. BORROWINGS FROM THE GOVERNMENT AND THE SBV

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Borrowings from the SBV	613,286	766,887
Loans under credit contracts	606,328	759,929
Borrowings for grants to State-owned enterprises	6,958	6,958
Current accounts held by the State Treasury	107,717,654	21,047,218
In VND	107,717,654	21,047,218
Repos of government bonds with the State Treasury	3,523,987	-
	<u>111,854,927</u>	<u>21,814,105</u>

13. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

13.1. Deposits from other credit institutions

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Demand deposits	196,455,035	173,335,962
- In VND	87,462,547	66,933,951
- In foreign currencies	108,992,488	106,402,011
Term deposits	52,918,847	86,556,784
- In VND	50,610,000	80,124,000
- In foreign currencies	2,308,847	6,432,784
	<u>249,373,882</u>	<u>259,892,746</u>

13.2. Borrowings from other credit institutions

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
- In VND	23,949,635	16,008,172
<i>In which: Discounting, rediscounting borrowings</i>	8,813,230	877,824
- In foreign currencies	24,085,010	28,420,803
	<u>48,034,645</u>	<u>44,428,975</u>

14. DEPOSITS FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Demand deposits	324,348,189	310,918,934
- Demand deposits in VND	269,903,267	268,541,833
- Demand deposits in foreign currencies	54,444,922	42,377,101
Term deposits	1,132,891,379	1,092,787,812
- Term deposits in VND	1,098,447,461	1,056,416,463
- Term deposits in foreign currencies	34,443,918	36,371,349
Deposits for specific purposes	3,418,247	2,135,004
- Deposits for specific purposes in VND	2,760,149	1,452,449
- Deposits for specific purposes in foreign currencies	658,098	682,555
Margin deposits	6,172,548	5,057,288
- Margin deposits in VND	5,607,001	4,372,632
- Margin deposits in foreign currencies	565,547	684,656
	<u>1,466,830,363</u>	<u>1,410,899,038</u>

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Grants, trusted funds and borrowings in VND	425,561	450,857
Grants, trusted funds and borrowings in foreign currencies	1,807,033	1,786,922
	<u>2,232,594</u>	<u>2,237,779</u>

16. VALUABLE PAPERS ISSUED

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Valuable papers in VND	100,256,805	115,375,611
Par value	100,256,720	115,375,611
Premium	85	-
Valuable papers in foreign currencies	71	116
Par value	71	116
	<u>100,256,876</u>	<u>115,375,727</u>

50
T
H
O
A
T
VA
T

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	-	-	51,903,877	51,904,030
Par value	153	-	-	51,903,877	51,904,030
- In VND	153	-	-	51,903,877	51,904,030
Term from 12 months to under 5 years	-	166	-	4,429,865	4,430,031
Par value	-	166	-	4,429,865	4,430,031
- In VND	-	166	-	4,429,794	4,429,960
- In foreign currency	-	-	-	71	71
Term over 5 years	-	-	43,922,815	-	43,922,815
Par value	-	-	43,922,730	-	43,922,730
- In VND	-	-	43,922,730	-	43,922,730
Premium	-	-	85	-	85
	153	166	43,922,815	56,333,742	100,256,876
Closing balance					
Term under 12 months	153	-	-	68,919,684	68,919,837
Par value	153	-	-	68,919,684	68,919,837
- In VND	153	-	-	68,919,684	68,919,837
Term from 12 months to under 5 years	-	166	-	4,432,989	4,433,155
Par value	-	166	-	4,432,989	4,433,155
- In VND	-	166	-	4,432,873	4,433,039
- In foreign currency	-	-	-	116	116
Term over 5 years	-	-	42,022,735	-	42,022,735
Par value	-	-	42,022,735	-	42,022,735
- In VND	-	-	42,022,735	-	42,022,735
	153	166	42,022,735	73,352,673	115,375,727



17. OTHER PAYABLES AND LIABILITIES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Internal payables	2,524,469	3,723,716
External payables (i)	17,094,450	15,515,215
Bonus and welfare fund	1,882,110	2,897,937
	<u>21,501,029</u>	<u>22,136,868</u>

(i) Details of external payables are as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Payments/receipts on behalf of other organizations	2,741,544	1,168,189
Amount received on-behalf and deferred payment	76,091	94,028
Corporate income tax payables (see Note 18)	1,351,866	3,119,682
Other pending payments	3,484,802	3,048,330
Unearned revenue	4,388,580	4,798,048
Other payables relating to securities activities	703,862	832,766
Other tax payables (see Note 18)	163,505	471,316
Payables relating to trade finance activities	6,253	5,999
Interbank payables	1,532,303	544,755
Money transfer payables	1,574,248	374,730
Payables relating to debt trading (*)	1,001,676	979,510
Other payables	69,720	77,862
	<u>17,094,450</u>	<u>15,515,215</u>

(*) 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.

18. THE BANK'S OBLIGATIONS TO THE STATE BUDGET

	<u>Opening balance</u>	<u>Movement in the period</u>		<u>Closing balance</u>
		<u>Payable</u>	<u>Paid</u>	
	VND Million	VND Million	VND Million	VND Million
a, Tax receivables				
Value added tax	3,077	1,965	2,006	3,118
Corporate income tax	901	-	3,935	4,836
Other taxes	-	-	762	762
	<u>3,978</u>	<u>1,965</u>	<u>6,703</u>	<u>8,716</u>
b, Tax payables				
Value added tax	377,020	736,358	1,037,460	75,918
Corporate income tax	3,119,682	2,548,350	4,316,166	1,351,866
Other taxes	94,296	1,012,108	1,018,817	87,587
	<u>3,590,998</u>	<u>4,296,816</u>	<u>6,372,443</u>	<u>1,515,371</u>

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

FORM B05a/TCTD-HN

19. CAPITAL AND RESERVES

19.1. Movements in owners' equity

	Charter capital VND Million	Share premium VND Million	Other capital VND Million	Foreign exchange reserves VND Million	Investment and development fund VND Million	Financial reserve fund VND Million	Charter supplementary reserve VND Million	Retained earnings VND Million	Non-controlling interests VND Million	Total VND Million
Opening balance	53,699,917	8,974,677	836,032	86,970	93,558	12,588,838	6,361,179	42,369,429	861,220	125,871,820
Profit for the period	-	-	-	-	-	-	-	10,324,105	87,778	10,411,883
Disposal of treasury shares	-	-	-	-	-	-	-	-	1,537	1,537
Increase/(Decrease) due to financial statement translation for consolidation purpose	-	-	-	95,561	(479)	(793)	-	(1,533)	-	92,756
Appropriation to statutory reserves (*)	-	-	-	-	21,376	7,298	-	(28,674)	-	-
Appropriation to bonus and welfare fund and remuneration to the Board of Supervisors (**)	-	-	-	-	-	-	-	(74,254)	(26,380)	(100,634)
Others (**)	-	-	-	-	-	-	-	(304,508)	-	(304,508)
Closing balance	53,699,917	8,974,677	836,032	182,531	114,455	12,595,343	6,361,179	52,284,565	924,155	135,972,854

(*) The appropriation to statutory reserves, bonus and welfare fund and remuneration to the Board of Supervisors according to Resolution of the Bank's subsidiaries made during the 6-month period of 2024.

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

19.2. Details of the Bank's shares

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

19.3. Details of the Bank's shares

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

20. INTEREST AND SIMILAR INCOME

	Current period	Prior period
	VND Million	VND Million
Interest from deposits	2,399,149	2,272,753
Interest from loans to customers	53,430,368	59,279,057
Interest from debt securities	3,457,369	4,089,068
- <i>Interest income from trading securities</i>	14,963	13,690
- <i>Interest income from investment securities</i>	3,442,406	4,075,378
Income from guarantee services	909,202	644,945
Interest income from finance leases	244,159	267,134
Other income from credit activities	649,997	323,880
	61,090,244	66,876,837

21. INTEREST AND SIMILAR EXPENSES

	Current period	Prior period
	VND Million	VND Million
Interest expenses on deposits	25,772,644	35,903,208
Interest expenses on borrowings	1,472,239	1,950,106
Interest expenses on valuable papers issued	3,132,825	3,303,760
Expense on other credit activities	199,413	296,122
	30,577,121	41,453,196

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

22.1. Net gain from trading securities

	<u>Current period</u>	<u>Prior period</u>
	VND Million	VND Million
Income from trading securities	56,947	194,236
(Expenses) on trading securities	(1,543)	(619)
Provision reversed for impairment of trading securities	7,498	35,907
Net gain from trading securities	62,902	229,524

22.2. Net (loss)/gain from investment securities

	<u>Current period</u>	<u>Prior period</u>
	VND Million	VND Million
Income from trading investment securities	6,719	-
(Expense) for trading investment securities	(2,061)	(1,639)
Provision (made)/reversed for impairment of investment securities	(144,368)	18,495
Net (loss)/gain from trading investment securities	(139,710)	16,856

23. INCOME FROM CAPITAL CONTRIBUTION, EQUITY INVESTMENTS

	<u>Current period</u>	<u>Prior period</u>
	VND Million	VND Million
Dividends received in cash from capital contribution, equity investments	7,056	34,833
- From equity investment securities	6,627	4,342
- From capital contribution and long-term investments	429	30,491
Share from net profit under the method of equity investments in joint ventures	203,312	152,750
	210,368	187,583

24. OPERATING EXPENSES

	<u>Current period</u>	<u>Prior period</u>
	VND Million	VND Million
Taxes, fees and charges	13,026	11,097
Staff cost	5,833,669	5,476,348
- Salaries and allowances	4,957,849	4,589,033
- Salary-based expenses	300,675	305,748
- Other allowances	1,979	1,125
- Other expenses	573,166	580,442
Expenses for fixed assets	1,254,999	1,125,479
- Depreciation and amortisation expenses	480,483	471,617
- Others	774,516	653,862
Expenses for operating management	2,127,488	1,955,654
- Per diems	89,373	80,260
- Expenses for union activities	3,896	9,841
- Others	2,034,219	1,865,553
Insurance premium for customers' deposits	541,035	473,530
Other provision expenses	110,983	15,162
	9,881,200	9,057,270

25. CURRENT CORPORATE INCOME TAX EXPENSE ("CIT")

	<u>Current period</u>	<u>Prior period</u>
	VND Million	VND Million
Profit before CIT	12,960,228	12,530,531
<i>Adjustments for:</i>		
- Non-taxable dividend income	(7,056)	(394,466)
- Profit before tax of subsidiaries	(468,257)	(449,555)
- Income from increase in interest in joint ventures	(203,312)	206,884
- Changes in provisions/revaluation for loans and bonds for the consolidation of financial statements	(69,254)	(190,654)
- Others	(24,586)	(32,383)
Taxable income of the Holding Bank	12,187,763	11,670,357
CIT expense of the Holding Bank based on local taxable income	2,437,553	2,334,071
CIT expense of subsidiaries	110,792	101,604
CIT expense based on the taxable income	2,548,345	2,435,675

26. BASIC EARNINGS PER SHARE

Profit for calculation of basic earnings per share

	<u>Current period</u>	<u>Prior period</u>
	VND Million	VND Million
Profit after tax	10,324,105	10,009,683
Profit for the period attributable to ordinary shareholders	10,324,105	10,009,683

As at the date of the interim consolidated financial statements, the Bank and its subsidiaries have not yet estimated the appropriation to bonus and welfare funds for the 6-month period ended 30 June 2024. Therefore, the basic earnings per share is estimated not taking into consideration the appropriation to bonus and welfare funds. An actual appropriation to bonus and welfare funds will be approved by General Annual Meeting for the year 2025. Therefore, there may be a difference in the basic earnings per share in comparison to the above presented figures.

According to Resolution No. 291/NQ-HDQT-NHCT-VPHDQT1 dated 28 August 2023, the Board of Directors of the Bank decided to issue shares to pay dividends at the rate of 100:11.7415 from profit after tax. On 14 December 2023, the Bank completed the share issuance of 564,241,139 to pay dividends, equivalent to a total additional capital of 5,642,411 million; therefore, the basic earnings per share for 6-month period ended 30 June 2024 are restated as below:

Number of ordinary shares for calculation of basic earnings

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

Basic earnings per share

	<u>Current period</u>	<u>Prior period (Restated)</u>	<u>Prior period (Previously reported)</u>
	VND	VND	VND
Basic earnings per share	1,923	1,864	2,083

27. CASH AND CASH EQUIVALENTS

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Cash, gold, gemstones and cash equivalents	9,457,900	9,759,580
Balances with SBV	28,980,462	40,597,059
Current deposits at other credit institutions	234,578,091	188,427,117
Placements with other credit institutions with terms not exceeding 3 months	82,949,715	33,317,112
Securities with recovery or maturity term not exceeding 3 months from the date of purchase	388,510	202,739
	<u>356,354,678</u>	<u>272,303,607</u>

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND Million	VND Million
Contingent liabilities	152,288,470	166,973,823
Credit guarantees	8,143,710	8,785,288
Letters of Credit (L/C) commitments	48,706,604	55,986,789
Other guarantees	95,438,156	102,201,746
Commitments	886,629,865	794,940,617
Foreign exchange transactions commitments	812,148,660	726,235,823
Other commitments	74,481,205	68,704,794

29. RELATED PARTY TRANSACTIONS AND BALANCES

Details of significant transactions with related parties during the 6-month period ended 30 June 2024 are as follows:

Related party	Relationship	Transactions	<u>Current period</u>	<u>Prior period</u>
			VND Million	VND Million
The State Bank of Vietnam	Direct owner and management agency	(Decrease) in deposits at the SBV	(11,616,597)	(6,142,625)
		(Decrease) in borrowings from the SBV	(153,601)	(805,598)
Indovina Bank Limited	Joint venture	Interest income from deposits	297	5,260
		Interest expenses of deposits	14	24
		Dividends received	-	359,634
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Interest income from deposits	34	39
		Interest expenses of deposits	4,399	2,419
		Interest expenses of borrowings	6,078	153,172



Details of significant balances with related parties as at 30 June 2024 are as follows:

Related party	Relationship	Balance	Receivables/(Payables)	
			Closing balance	Opening balance
			VND Million	VND Million
The State Bank of Vietnam	Direct owner and management agency	Deposits at the SBV Borrowings from the SBV	28,980,462 (613,286)	40,597,059 (766,887)
Indovina Bank Limited	Joint venture	Deposits at the Bank Deposits of the Bank Accrued interest income	10,484 (35,263) 445	483 (22,098) -
Bank of Tokyo-Mitsubishi UFJ	Strategic shareholder	Deposits of the Bank Deposits at the Bank Borrowings of the Bank Accrued interest expenses	(2,867,183) 194,423 (1,071,862) (4,495)	(180,918) 196,921 (714,098) (3,051)

30. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE-SHEET ITEMS BY GEOGRAPHICAL REGIONS AS AT 30 JUNE 2024

	Total loan balance	Total deposits	Credit commitments	Derivative financial instruments (Difference between debit - credit)	Trading and investment in securities (Difference between debit - credit)
	VND Million	VND Million	VND Million	VND Million	VND Million
Domestic	1,579,092,620	1,818,099,489	152,163,856	(1,378,025)	162,550,092
Overseas	9,265,546	5,822,410	124,614	-	139,200
	1,588,358,166	1,823,921,899	152,288,470	(1,378,025)	162,689,292

31. SEGMENT REPORTS

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

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

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

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

FORM B05a/TCTD-HN

Business segment report

NO.	ITEMS	Banking financial services		Non-banking financial services		Others		Adjustments		Total	
		VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
I.	Income	76,965,146	2,227,325	1,129,406	(132,413)	80,189,464					
1.	Interest income	60,465,070	466,495	248,251	(89,572)	61,090,244					
	- External interest income	60,392,742	449,978	247,523	1	61,090,244					
	- Internal interest income	72,328	16,517	728	(89,573)	-					
2.	Income from services	4,661,612	1,753,870	82,696	(228,088)	6,270,090					
3.	Other income	11,838,464	6,960	798,459	185,247	12,829,130					
II.	Expenses	(48,916,721)	(1,785,284)	(996,866)	335,533	(51,363,338)					
1.	Interest expenses	(30,436,294)	(122,287)	(108,112)	89,572	(30,577,121)					
	- External interest expenses	(30,413,489)	(55,520)	(108,112)	-	(30,577,121)					
	- Internal interest expenses	(22,805)	(66,767)	-	89,572	-					
2.	Depreciation and amortization expenses	(469,046)	(6,389)	(5,048)	-	(480,483)					
3.	Expenses directly related to business operation	(18,011,381)	(1,656,608)	(883,706)	245,961	(20,305,734)					
	Net profit from operating activities before provision expenses for credit losses	28,048,425	442,041	132,540	203,120	28,826,126					
	Provision expenses for credit losses	(15,661,372)	(204,478)	(214)	166	(15,865,898)					
	Segment profit before tax	12,387,053	237,563	132,326	203,286	12,960,228					
	Corporate income tax expense	(2,458,449)	(61,371)	(28,524)	(1)	(2,548,345)					
	Segment profit after corporate income tax	9,928,604	176,192	103,802	203,285	10,411,883					
III.	Assets	2,145,388,172	14,576,203	7,814,996	(6,343,069)	2,161,436,302					
1.	Cash, gold, and gemstones	9,400,245	4,818	28,516	24,321	9,457,900					
2.	Fixed assets	9,589,215	110,134	64,189	-	9,763,538					
3.	Other assets	2,126,398,712	14,461,251	7,722,291	(6,367,390)	2,142,214,864					
IV.	Liabilities	2,012,693,137	10,936,562	5,765,240	(3,931,491)	2,025,463,448					
1.	External liabilities	2,008,543,697	10,719,558	5,725,104	(3,931,491)	2,021,056,868					
2.	Internal liabilities	4,149,440	217,004	40,136	-	4,406,580					

Geographical segment report

NO. ITEMS	Northern (*)	Southern	Others	Off-set	Total
	VND Million	VND Million	VND Million	VND Million	VND Million
I. Segment profit before tax	3,609,240	5,638,372	3,509,331	203,285	12,960,228
Current corporate income tax expense	(2,525,523)	(5,337)	(17,485)	-	(2,548,345)
II. Segment profit after corporate income tax	1,083,717	5,633,035	3,491,846	203,285	10,411,883
III. Segment assets	1,330,020,410	612,340,605	225,418,356	(6,343,069)	2,161,436,302
IV. Segment liabilities	1,202,222,347	606,538,300	220,634,292	(3,931,491)	2,025,463,448

(*) As at 30 June 2024, the Head Office in Northern region calculated and paid corporate income tax for all Bank's branches.

32. FINANCIAL RISK MANAGEMENT POLICIES RELATED TO FINANCIAL INSTRUMENTS

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

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

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

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

33. CURRENCY RISKS

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

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

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

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

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

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

VI
VN
TM
M
C
T
Đ
A

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

FORM B05a/TCTD-HN

The book value of cash assets and cash liabilities denominated in foreign currencies as at 30 June 2024 are as follows:

ITEMS	EUR equivalent		USD equivalent		Other currency equivalent		Total	
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Assets								
Cash, gold and gemstones	198,536	1,051,006	202,214	40,584	1,492,340			
Balances with the State Bank of Vietnam	38,350	5,855,000	-	-	5,893,350			
Placements with and loans to other credit institutions	1,061,116	70,406,988	121,227,261	-	192,695,365			
Derivative financial instruments and other financial assets	-	-	114,287	-	114,287			
Loans to customers (*)	1,581,788	81,319,727	3,500,629	-	86,402,144			
Investment securities (*)	-	-	139,200	-	139,200			
Fixed assets	31,596	-	74,824	-	106,420			
Other assets (*)	1,690,349	12,369,189	869,747	-	14,929,285			
Total assets	4,601,735	171,001,910	126,128,162	40,584	301,772,391			
Liabilities								
Deposits and borrowings from other credit institutions	365,754	46,255,774	88,764,817	-	135,386,345			
Deposits from customers	2,297,673	84,799,967	3,014,845	-	90,112,485			
Derivative financial instruments and other financial liabilities	627,735	27,271,832	32,566,676	-	60,466,243			
Grants, trusted funds and borrowings where bears risks	130,527	1,604,586	71,920	-	1,807,033			
Valuable papers issued	-	71	-	-	71			
Other liabilities (*)	968,799	2,474,294	315,774	-	3,758,867			
Total liabilities	4,390,488	162,406,524	124,734,032	-	291,531,044			
Balance sheet currency position	211,247	8,595,386	1,394,130	40,584	10,241,347			
Off-balance sheet currency position	(50,361)	(8,945,878)	(34,349)	-	(9,030,588)			
Balance/Off-balance sheet currency position	160,886	(350,492)	1,359,781	40,584	1,210,759			

(*) Excluding provision.

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

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

The Bank's interest rate risk policies

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

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

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

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

Interest rate risk management

The Bank manages interest rate risk at 2 levels: transaction level and portfolio level, 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 for the business units to determine their lending/capital mobilization rates.

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

FORM B05a/TCTD-HN

	Overdue			Current						
	Non interest bearing	Over 3 months	Up to 3 months	Non interest bearing	Over 3 months	Up to 3 months	Non interest bearing	Over 3 months	Up to 3 months	Non interest bearing
	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million	VND Million
Assets										
Cash, gold and gemstones	9,457,900	-	-	-	-	-	-	-	-	9,457,900
Balances with the State Bank of Vietnam	28,980,462	-	-	-	-	-	-	-	-	28,980,462
Placements with and loans to other credit institutions	-	-	-	287,059,904	17,000,964	15,571,557	31,601,389	-	-	351,233,814
Trading securities (*)	-	-	-	2,439,833	-	-	-	-	-	2,439,833
Derivative financial instruments and other financial assets	-	-	-	15,273	-	-	-	-	-	15,273
Loans to customers (*)	84,833	24,645,745	22,628,828	445,246,592	360,942,993	508,490,365	165,797,583	38,961,752	4,730,712	1,571,529,403
Investment securities (*)	4,005,225	653,277	-	12,968,445	20,608,570	7,200,708	31,612,983	15,656,163	67,544,088	160,249,459
Capital contribution, long-term investments (*)	3,758,253	-	-	-	-	-	-	-	-	3,758,253
Fixed assets	9,763,538	-	-	-	-	-	-	-	-	9,763,538
Other assets (*)	30,945,588	106,990	-	3,864,065	12,442,110	5,133,620	267,934	-	-	52,760,307
Total assets	86,995,799	25,406,012	22,628,828	751,594,112	410,994,637	536,396,250	229,279,889	54,617,915	72,274,800	2,190,188,242
Liabilities										
Borrowings from the Government and the SBV	-	-	-	80,417,105	31,215,000	-	222,822	-	-	111,854,927
Deposits and borrowings from other credit institutions	-	-	-	279,738,444	12,342,906	5,062,933	264,244	-	-	297,408,527
Deposits from customers	-	-	-	612,768,038	229,792,956	291,320,371	320,336,781	12,452,182	160,035	1,466,830,363
Derivative financial instruments and other financial liabilities	-	-	-	1,393,298	-	-	-	-	-	1,393,298
Grants, trusted funds and borrowings where bears risks	-	-	-	-	1,635,577	597,017	-	-	-	2,232,594
Valuable papers issued	-	-	-	8,342,506	33,927,900	22,968,990	29,675,330	452,150	4,890,000	100,256,876
Other liabilities (*)	45,502,136	-	-	-	-	-	-	-	-	45,502,136
Total liabilities	45,502,136	-	-	982,659,391	308,914,339	319,949,311	350,499,177	12,904,332	5,050,035	2,025,478,721
Balance sheet net interest gap	41,493,663	25,406,012	22,628,828	(231,065,279)	102,080,298	216,446,939	(121,219,288)	41,713,583	67,224,765	164,709,521

(*) Excluding provision

35. LIQUIDITY RISK

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

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

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

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

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

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

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

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

FORM B05a/TCTD-HN

	Overdue		Current					Total Triệu VND
	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	
Assets								
Cash, gold and gemstones	-	-	9,457,900	-	-	-	-	9,457,900
Balances with the State Bank of Vietnam	-	-	28,980,462	-	-	-	-	28,980,462
Placements with and loans to other credit institutions	-	-	316,704,213	17,000,964	17,528,637	-	-	351,233,814
Trading securities (*)	-	-	2,439,833	-	-	-	-	2,439,833
Derivative financial instruments and other financial assets	-	-	15,273	-	-	-	-	15,273
Loans to customers (*)	24,645,745	22,628,828	137,391,802	325,300,361	631,113,492	191,615,230	238,833,945	1,571,529,403
Investment securities (*)	653,277	-	16,587,910	20,608,570	38,813,691	15,656,163	67,929,848	160,249,459
Capital contribution, long-term investments (*)	-	-	-	-	-	-	3,758,253	3,758,253
Fixed assets	-	-	-	-	-	-	9,763,538	9,763,538
Other assets (*)	106,990	-	5,445,175	17,058,785	12,412,097	1,640,089	16,097,171	52,760,307
Total assets	25,406,012	22,628,828	517,022,568	379,968,680	699,867,917	208,911,482	336,382,755	2,190,188,242
Liabilities								
Borrowings from the Government and the SBV	-	-	80,417,105	31,215,000	222,822	-	-	111,854,927
Deposits and borrowings from other credit institutions	-	-	279,738,444	12,342,906	5,327,177	-	-	297,408,527
Deposits from customers	-	-	183,092,485	234,035,400	711,237,034	338,287,402	178,042	1,466,830,363
Derivative financial instruments and other financial liabilities	-	-	1,393,298	-	-	-	-	1,393,298
Grants, trusted funds and borrowings where bears risks	-	-	134,905	43,602	67,388	349,558	1,637,141	2,232,594
Valuable papers issued	-	-	6,082,506	17,140,850	33,109,640	451,150	43,472,730	100,256,876
Other liabilities (*)	-	-	21,306,264	13,220,695	9,171,996	1,803,181	-	45,502,136
Total liabilities	-	-	572,165,007	307,998,453	759,136,057	340,891,291	45,287,913	2,025,478,721
Net liquidity difference	25,406,012	22,628,828	(55,142,439)	71,970,227	(59,268,140)	(131,979,809)	291,094,842	164,709,521

(*) Excluding provision.

36. EXCHANGE RATES OF SOME FOREIGN CURRENCIES AT THE END OF THE PERIOD

	Closing balance	Opening balance
	VND	VND
USD	25,451	24,255
EUR	27,222	26,796
GBP	32,164	30,843
CHF	28,290	28,822
JPY	158,35	171,19
SGD	18,767	18,369
CAD	18,573	18,306
AUD	16,922	16,519
NZD	15,461	15,329
THB	692,17	706,53
SEK	2,394	2,421
NOK	2,389	2,390
DKK	3,650	3,595
HKD	3,259	3,105
CNY	3,503	3,411
KRW	18,48	18,65
LAK	1,16	1,19
MYR	5,329	5,329
XAU	7,648,000	(*)

(*) Not incurred.

37. EVENTS AFTER THE REPORTING DATE

No events occurred after the reporting date that had or could have a material effect on the operations of the Bank, its interim consolidated financial position and the interim consolidated results of those operations that require adjustment or disclosure in the interim consolidated financial statements.

Prepared by



Tran Thi Thu Huong
 Deputy Head of Financial
 Accounting Department

Approved by



Nguyen Hai Hung
 Chief Accountant

Approved by



Nguyen Tran Manh Trung
 Deputy General Director

14 August 2024