

NAM A BANK

NAM A BANK – HỘI SỞIHEAD OFFICE
201-203 Cách Mạng Tháng Tám, Quận 3, TP.HCM
201-203 Cach Mang Thang Tam Street, Dist. 3, HCMC
[T] 028 3929 6699 - [F] 028 3929 6688
[Hotline] 1900 6679 - [W] www.namabank.com.vn
Số/No: 221 /2025/CBTT-NHNA

V/v: Công bố thông tin BCTC đã được kiểm toán năm 2024 (Riêng lẻ và Hợp nhất) và giải trình biến động lợi nhuận sau thuế/Ref: Information disclosure of the Audited Financial Statements for the 2024 (Separate and Consolidated) and Explanation for the fluctuation of profit after tax

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
THE SOCIALIST REPUBLIC OF VIETNAM
Độc lập – Tự do – Hạnh phúc
Independence – Freedom – Happiness

TP.HCM/HCMC, ngày/date 00 tháng/month 00 năm/year 2025

CÔNG BỐ THÔNG TIN ĐỊNH KỲ PERIODIC INFORMATION DISCLOSURE

Kính gửi/To: - Ủy ban Chứng khoán Nhà nước/State Securities Commission of Vietnam

- Sở giao dịch Chứng khoán Việt Nam/Vietnam Exchange

- Sở Giao dịch chứng khoán TP. Hồ Chí Minh/Hochiminh Stock Exchange

1. **Tên tổ chức phát hành/Name of organization:** Ngân hàng TMCP Nam Á/Nam A Commercial Joint Stock Bank

- Mã chứng khoán/Stock code: NAB.

- Trụ sở chính/Address: 201 - 203 Cách Mạng Tháng Tám, Phường 4, Quận 3, TPHCM/201 - 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City

- Điện thoại/Telephone: (84-28) 3929 6699 Fax: (84-28) 3929 6688

- Email: namabank@namabank.com.vn

2. **Nội dung thông tin công bố/Contents of disclosure:**

Để thực hiện công bố thông tin theo đúng quy định, Ngân hàng TMCP Nam Á kính gửi đến Ủy ban Chứng khoán Nhà nước, Sở giao dịch Chứng khoán Việt Nam và Sở giao dịch Chứng khoán TP. Hồ Chí Minh văn bản sau/To disclose the information in accordance with the regulations, Nam A Commercial Joint Stock Bank respectfully sends to The State Securities Commission of Vietnam, The Vietnam Exchange and The Hochiminh Stock Exchange the documents as listed below:

+ Báo cáo tài chính riêng lẻ đã được kiểm toán 2024/Audited Separate Financial Statement 2024;

+ Báo cáo tài chính hợp nhất đã được kiểm toán 2024/Audited Consolidated Financial Statement 2024;

+ Giải trình biến động lợi nhuận sau thuế/Explanation for the fluctuation of profit after tax.

3. Thông tin này đã được công bố trên trang thông tin điện tử của Ngân hàng TMCP Nam Á:

<https://www.namabank.com.vn>/This information was published on the company's website as in the link: <https://www.namabank.com.vn>

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung thông tin công bố. /We hereby certify that the information provided is true and correct and we bear the full responsibility to the law.

NGÂN HÀNG TMCP NAM Á/NAMA BANK

NGƯỜI ĐƯỢC ỦY QUYỀN CBTT/

Persons Authorized To Disclose Information

PHÓ CHỦ TỊCH HĐQT/

Vice Chairman/Chairwoman

Nơi nhận:/To

- Như Kính gửi ;/As the Greetings part;
- Lưu/Archived: P.KT/Accounting Dept, VP.HCQT./Office of BOD.



Võ Thị Tuyết Nga

Nam A Commercial Joint Stock Bank

Consolidated financial statements

For the year ended 31 December 2024



Nam A Commercial Joint Stock Bank

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Nam A Commercial Joint Stock Bank

GENERAL INFORMATION

THE BANK

Nam A Commercial Joint Stock Bank ("the Bank") is a commercial joint stock bank incorporated in the Socialist Republic of Vietnam.

The Bank was incorporated under Banking Operation License No. 0026/NH-GP on 22 August 1992, issued by the State Bank of Vietnam ("SBV"), Establishment License No. 463/GP-UB issued by the People's Committee of Ho Chi Minh City on 1 September 1992, and Business Registration Certificate No. 0300873215 issued on 1 September 1992, amended 45th time on 3 August 2023 issued by the Department of Planning and Investment of Ho Chi Minh City. The valid of operation period of the Bank is 99 years.

The Bank's principal activities include providing banking services such as mobilizing short, medium and long-term funds in the form of term deposits, demand deposits, certificates of deposit; receiving entrusted investment and development funds, borrowings from other financial institutions; granting short, medium and long-term loans; discounting of commercial notes, bonds and valuable papers; contributing capital and investing in joint-ventures, providing settlement services to customers, trading foreign currencies, gold, international payment, mobilizing overseas funds and other banking services to overseas counterparties as allowed by the SBV; conducting debt factoring activities; supplying cash management services, banking and financial consultancy; preserving assets, leasing cabinets and safes; buying and selling Government bonds and corporate bonds; giving and receiving entrustment loans; insurance agency; credit granting under bank guarantee; debt purchasing activities; trading and providing foreign exchange services on domestic and international market within the scope as prescribed by the SBV; trading gold; leasing a part of unused office owned by the Bank.

The Bank's Head Office is located at 201 - 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City. As at 31 December 2024, the Bank had one (1) representative office, one (1) Business Center, one hundred forty seven (147) branches and transaction offices located in cities and provinces throughout Vietnam.

THE BOARD OF DIRECTORS

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

| <i>Name</i> | <i>Position</i> |
|--------------------------|---|
| Mr. Tran Ngo Phuc Vu | Chairman |
| Mr. Tran Ngoc Tam | Standing Vice Chairman (from 29 March 2024) |
| Ms. Vo Thi Tuyet Nga | Vice Chairman |
| Mr. Tran Khai Hoan | Member (from 29 March 2024) |
| Mr. Nguyen Duc Minh Tri | Member |
| Ms. Nguyen Thi Thanh Dao | Member |
| Ms. Le Thi Kim Anh | Independent Member |

THE BOARD OF SUPERVISION

The members of the Board of Supervision of the Bank during the year and at the date of this report are as follows:

| <i>Name</i> | <i>Position</i> |
|----------------------|------------------|
| Mr. Nguyen Vinh Loi | Chief Supervisor |
| Ms. Nguyen Thuy Van | Member |
| Ms. Do Thi Hong Tram | Member |

Nam A Commercial Joint Stock Bank

GENERAL INFORMATION (continued)

THE BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT

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

| <i>Name</i> | <i>Position</i> |
|-----------------------|---|
| Mr. Tran Khai Hoan | Acting Chief Executive Officer (from 30 March 2024) |
| Mr. Tran Ngoc Tam | Chief Executive Officer (until 29 March 2024) |
| Mr. Tran Khai Hoan | Standing Deputy Chief Executive Officer (until 29 March 2024) |
| Mr. Hoang Viet Cuong | Deputy Chief Executive Officer |
| Mr. Ha Huy Cuong | Deputy Chief Executive Officer |
| Mr. Le Anh Tu | Deputy Chief Executive Officer |
| Mr. Nguyen Vinh Tuyen | Deputy Chief Executive Officer |
| Mr. Vo Hoang Hai | Deputy Chief Executive Officer |
| Ms. Ho Nguyen Thuy Vy | Deputy Chief Executive Officer |
| Mr. Huynh Thanh Phong | Deputy Chief Executive Officer (from 5 December 2024) |
| Mr. Nguyen Minh Tuan | Deputy Chief Executive Officer (from 5 December 2024) |
| Ms. Lam Kim Khoi | Deputy Chief Executive Officer (from 5 December 2024) |
| Ms. Nguyen Thi My Lan | Director of Finance Division and Chief Accountant |

LEGAL REPRESENTATIVE

The legal representative of the Bank during the year and at the date of this report is Mr. Tran Ngo Phuc Vu, Chairman.

Mr. Tran Khai Hoan - Acting Chief Executives Officer was authorized by Mr. Tran Ngo Phuc Vu - Chairman of the Board of Directors to sign the accompanying consolidated financial statements for the year ended 31 December 2024 in accordance with the Power of Attorney No. 567/2024/UQQT-NHNA dated 9 April 2024.

AUDITOR

The auditor of the Bank and its subsidiary are Ernst & Young Vietnam Limited.



Nam A Commercial Joint Stock Bank

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Nam A Commercial Joint Stock Bank ("the Bank") is pleased to present this report and the consolidated financial statements of the Bank and its subsidiary for the year ended 31 December 2024.

THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of the Bank is responsible for the consolidated financial statements of each financial year, which provide a true and fair view of the consolidated financial position of the Bank and its subsidiary, and the consolidated income statement and consolidated cash flows for the year. In preparing these consolidated financial statements, the Board of Management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable account standards have been followed by the Bank and its subsidiary, subject to any material departures disclosed and explained in the consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiary will continue its business.

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and its subsidiary and for ensuring that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and its subsidiary and, hence, for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board of Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management of the Bank hereby states that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiary as at 31 December 2024, the consolidated income statement and their consolidated cash flows for the year then ended, which are in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

On behalf of the Board of Management

NGÂN HÀNG
THƯƠNG MẠI CỔ PHẦN
NAM A
QUẬN 1 - TP. HỒ CHÍ MINH

Mr. Tran Khai Hoan
Acting Chief Executive Officer

Ho Chi Minh City, Vietnam

28 February 2025

Reference: 11542015/68418664 -HN

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of
Nam A Commercial Joint Stock Bank**

We have audited the accompanying consolidated financial statements of Nam A Commercial Joint Stock Bank ("the Bank") and its subsidiary, as prepared on 28 February 2025, and set out on pages 6 to 79, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated cash flows statement for the year ended, and the accompanying notes.

The Board of Management's responsibility

The Board of Management of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of consolidated financial statements, and for such internal control that the Board of Management deemed necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank as at 31 December 2024, and of the consolidated income statement and its consolidated cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, and other statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited



Vu Tien Dung
Deputy General Director
Audit Practicing Registration
Certificate No. 3221-2025-004-1



Nguyen Van Trung
Auditor
Audit Practicing Registration
Certificate No. 3847-2021-004-1

Ho Chi Minh City, Vietnam

28 February 2025

Nam A Commercial Joint Stock Bank

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

B02/TCTD-HN

| | <i>Notes</i> | <i>Ending balance VND million</i> | <i>Beginning balance VND million</i> |
|--|--------------|---------------------------------------|--|
| ASSETS | | | |
| Cash and gold | 4 | 1,148,489 | 1,132,969 |
| Balances with the State Bank of Vietnam ("the SBV") | 5 | 13,632,932 | 16,268,047 |
| Due from and loans to other credit institutions | | 36,809,783 | 22,591,302 |
| Due from other credit institutions | 6.1 | 36,519,898 | 20,801,417 |
| Loans to other credit institutions | 6.2 | 289,885 | 1,789,885 |
| Derivatives and other financial assets | 7 | - | 39,455 |
| Loans to customers | | 165,672,890 | 139,894,641 |
| Loans to customers | 8 | 167,737,997 | 141,438,441 |
| Provision for loans to customers | 9.1 | (2,065,107) | (1,543,800) |
| Investment securities | | 20,841,857 | 24,068,777 |
| Available-for-sale securities | 10.1 | 10,289,877 | 13,110,808 |
| Held-to-maturity securities | 10.2 | 10,566,774 | 10,976,814 |
| Provision for investment securities | 10.4 | (14,794) | (18,845) |
| Long-term investments | 11 | 142,759 | 85,320 |
| Other long-term investments | | 224,011 | 85,320 |
| Provision for long-term investment | | (81,252) | - |
| Fixed assets | | 2,188,108 | 1,586,997 |
| <i>Tangible fixed assets</i> | 12 | 1,528,846 | 901,069 |
| Cost | | 2,307,181 | 1,554,014 |
| Accumulated depreciation | | (778,335) | (652,945) |
| <i>Financial lease fixed assets</i> | 13 | 79,745 | 104,336 |
| Cost | | 159,317 | 158,913 |
| Accumulated depreciation | | (79,572) | (54,577) |
| <i>Intangible fixed assets</i> | 14 | 579,517 | 581,592 |
| Cost | | 755,607 | 744,439 |
| Accumulated amortization | | (176,090) | (162,847) |
| Investment properties | 15 | 30,439 | 15,971 |
| Cost | | 30,439 | 15,971 |
| Other assets | | 4,661,726 | 4,212,760 |
| Receivables | 16.1 | 919,497 | 1,466,711 |
| Interest and fee receivables | 16.2 | 3,001,116 | 2,076,285 |
| Other assets | 16.3 | 780,289 | 702,787 |
| Provision for other assets | 16.4 | (39,176) | (33,023) |
| TOTAL ASSETS | | 245,128,983 | 209,896,239 |

Nam A Commercial Joint Stock Bank

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

B02/TCTD-HN

| | <u>Notes</u> | <u>Ending balance VND million</u> | <u>Beginning balance VND million</u> |
|---|--------------|---------------------------------------|--|
| LIABILITIES | | | |
| Borrowings from the Government and the SBV | 17 | 2,577,611 | 345 |
| Borrowings from the Government and the SBV | | 2,577,611 | 345 |
| Due to and borrowings from other credit institutions | | 39,196,315 | 24,021,674 |
| Due to other credit institutions | 18.1 | 37,715,294 | 22,816,967 |
| Borrowings from other credit institutions | 18.2 | 1,481,021 | 1,204,707 |
| Due to customers | 19 | 158,334,003 | 145,428,945 |
| Derivatives and other financial liabilities | | 6,768 | - |
| Grants, entrusted funds, and loans exposed to risks | 20 | 1,076,174 | 1,066,465 |
| Valuable papers issued | 21 | 20,006,940 | 18,458,868 |
| Other liabilities | | 4,642,639 | 5,678,150 |
| Interest and fee payables | 22.1 | 3,395,608 | 4,282,773 |
| Other liabilities | 22.2 | 1,247,031 | 1,395,377 |
| TOTAL LIABILITIES | | 225,840,450 | 194,654,447 |
| OWNERS' EQUITY | | | |
| Capital | | 13,725,604 | 10,580,866 |
| Charter capital | | 13,725,506 | 10,580,416 |
| Fund for capital expenditure | | 10 | 10 |
| Share premium | | 63 | 415 |
| Other | | 25 | 25 |
| Reserves | | 2,174,392 | 1,447,731 |
| Retained earnings | | 3,388,537 | 3,213,195 |
| TOTAL OWNERS' EQUITY | 24 | 19,288,533 | 15,241,792 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | | 245,128,983 | 209,896,239 |

Nam A Commercial Joint Stock Bank

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

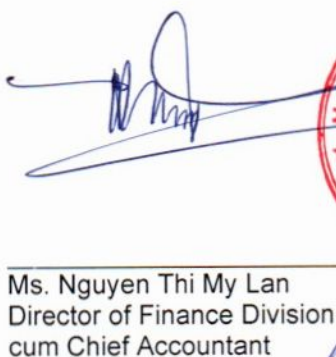
B02/TCTD-HN

OFF-CONSOLIDATED STATEMENT OF FINANCIAL POSITION ITEMS

| | Notes | Ending balance VND million | Beginning balance VND million |
|---|-------|-------------------------------|----------------------------------|
| Loan guarantees | 38 | 3,658,967 | - |
| Foreign exchange commitments | 38 | 8,075,790 | 14,694,595 |
| - <i>Commitments on currency swap transaction</i> | | 8,075,790 | 12,105,195 |
| - <i>Spot foreign exchange commitments - buy</i> | | - | 2,420,000 |
| - <i>Spot foreign exchange commitments - sell</i> | | - | 169,400 |
| Letters of credit | 38 | 549,881 | 6,114,363 |
| Other guarantees | 38 | 3,656,250 | 9,847,973 |
| Other commitments | 38 | 149,669 | |
| Interest and fee receivable not yet collected | 39 | 2,312,141 | 2,019,149 |
| Written-off debts | 40 | 2,508,183 | 2,674,247 |
| Assets and other documents | 41 | 10,123,872 | 11,470,531 |
| | | 31,034,753 | 46,820,858 |



Mr. Le Dinh Tu
Head of
Accounting Department



Ms. Nguyen Thi My Lan
Director of Finance Division
cum Chief Accountant



Mr. Tran Khai Hoan
Acting Chief Executive Officer

Ho Chi Minh City, Vietnam

28 February 2025

Nam A Commercial Joint Stock Bank

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2024

B03/TCTD-HN

| | Notes | Current year VND million | Previous year VND million |
|--|-----------|-----------------------------|------------------------------|
| Interest and similar income | 26 | 17,411,707 | 19,338,340 |
| Interest and similar expense | 27 | (9,473,887) | (12,691,031) |
| Net interest and similar income | | 7,937,820 | 6,647,309 |
| Fee and commission income | | 951,804 | 1,141,500 |
| Fee and commission expense | | (390,838) | (551,469) |
| Net fee and commission income | 28 | 560,966 | 590,031 |
| Net gain from trading foreign currencies | 29 | 2,807 | 14,607 |
| Net gain from trading securities | 30 | 864 | - |
| Net gain from investment securities | 31 | 123,787 | 59,287 |
| Other operating income | | 467,824 | 499,520 |
| Other operating expense | | (42,027) | (166,581) |
| Net gain from other operating activities | 32 | 425,797 | 332,939 |
| Net gain from investment in other entities | 33 | 22 | 38 |
| TOTAL OPERATING INCOME | | 9,052,063 | 7,644,211 |
| TOTAL OPERATING EXPENSE | 34 | (3,985,763) | (3,492,455) |
| Net profit before provision for credit losses | | 5,066,300 | 4,151,756 |
| Provision expense for credit losses | 9 | (520,902) | (847,804) |
| PROFIT BEFORE TAX | | 4,545,398 | 3,303,952 |
| Current corporate income tax expense | 23.1 | (938,305) | (682,333) |
| Total corporate income tax expense | | (938,305) | (682,333) |
| PROFIT AFTER TAX | | 3,607,093 | 2,621,619 |
| Basic earnings per share (VND/share) | 25 | 2,702 | 1,937 |



Mr. Le Dinh Tu
Head of
Accounting Department



Ms. Nguyen Thi My Lan
Director of Finance Division
cum Chief Accountant




Mr. Tran Khai Hoan
Acting Chief Executive Officer

Ho Chi Minh City, Vietnam

28 February 2025

Nam A Commercial Joint Stock Bank

CONSOLIDATED CASH FLOWS STATEMENT
for the year ended 31 December 2024

B04/TCTD-HN

| | <i>Notes</i> | <i>Current year VND million</i> | <i>Previous year VND million</i> |
|--|--------------|-------------------------------------|--------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Interest and similar income receipts | | 16,460,416 | 19,982,045 |
| Interest and similar expense payments | | (10,346,973) | (11,539,747) |
| Net fee and commission receipts | | 581,694 | 537,866 |
| Net receipts from trading of securities, gold and foreign currencies | | 122,507 | 45,593 |
| Loss from other activities | | (41,391) | (165,114) |
| Recovery of loans previously written-off | 31 | 465,822 | 496,895 |
| Payments for employees and other operating expense | | (3,363,965) | (3,826,059) |
| Corporate income tax paid for the year | 23 | (950,901) | (501,892) |
| Net cash flows from operating activities before changes in operating assets and liabilities | | 2,927,209 | 5,029,587 |
| Changes in operating assets | | | |
| Decrease/(increase) in due from and loans to other credit institutions | | 1,500,000 | (1,104,739) |
| Decrease in investment securities | | 3,230,971 | 352,279 |
| Decrease in derivatives and other financial assets | | 39,455 | 65,494 |
| Increase in loans to customers | | (26,299,556) | (20,238,361) |
| Utilization of provision to write-off loans to customers, securities, and long-term investments | | (3,944) | (1,023,708) |
| Decrease in other assets | | 71,868 | 1,034,357 |
| Changes in operating liabilities | | | |
| Increase/(decrease) in borrowings from the Government and the SBV | | 2,577,266 | (267) |
| Increase in due to and borrowings from other credit institutions | | 15,195,082 | 2,677,578 |
| Increase in due to customers | | 12,905,058 | 20,435,610 |
| Increase in valuable papers issued | | 1,548,072 | 6,075,205 |
| Increase in grants, entrusted funds and loans exposed to risks | | 9,709 | 115,235 |
| Increase in derivatives and other financial liabilities | | 6,768 | - |
| Decrease in other liabilities | | (308,806) | (894,055) |
| Net cash from operating activities | | 13,399,152 | 12,524,215 |

Nam A Commercial Joint Stock Bank

CONSOLIDATED CASH FLOWS STATEMENT (continued)
for the year ended 31 December 2024

B04/TCTD-HN

| | <i>Notes</i> | <i>Current year VND million</i> | <i>Previous year VND million</i> |
|--|--------------|-------------------------------------|--------------------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchases of fixed assets | | (669,877) | (581,238) |
| Proceeds for disposals of fixed assets | | 1,191 | 1,191 |
| Proceeds for disposals of investment property | | 7,527 | - |
| Payments for investments in other entities | | (142,197) | - |
| Proceeds for investments in other entities | | 3,506 | - |
| Proceeds for dividend and profit distributed from investment in other entities | | 22 | 38 |
| Net cash used in investing activities | | (799,828) | (580,009) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase in charter capital from capital contribution and/or share issuance | | 499,648 | - |
| Dividends distributed to shareholders | | (86) | (226) |
| Net cash from/(used in) financing activities | | 499,562 | (226) |
| Net change of cash for the year | | 13,098,886 | 11,943,980 |
| Cash and cash equivalents at the beginning of the year | 33 | 38,202,433 | 26,258,453 |
| Cash and cash equivalents at the end of the year | 33 | 51,301,319 | 38,202,433 |



Mr. Le Dinh Tu
Head of
Accounting Department



Ms. Nguyen Thi My Lan
Director of Finance Division
cum Chief Accountant



Mr. Trần Khai Hoan
Acting Chief Executive Officer



Ho Chi Minh City, Vietnam

28 February 2025

Nam A Commercial Joint Stock Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2024 and for the year then ended

B05/TCTD-HN

1. THE BANK

Nam A Commercial Joint Stock Bank ("the Bank") is a joint stock commercial bank incorporated in the Socialist Republic of Vietnam.

Establishment and Operations

The Bank was incorporated under Banking Operation License No. 0026/NH-GP on 22 August 1992 issued by the State Bank of Vietnam ("SBV"), Establishment License No. 463/GP-UB issued by the People's Committee of Ho Chi Minh City on 1 September 1992, and Business Registration Certificate No. 0300873215 on 1 September 1992, amended 45th time on 3 August 2023 issued by the Department of Planning and Investment of Ho Chi Minh City. The valid of operation period of the Bank is 99 years.

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Charter capital

The charter capital of the Bank as at 31 December 2024 is VND13,725,505,530,000 (31 December 2023 is VND10,580,416,150,000).

Operation network

The bank's Head Office is located at 201 - 203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City. As at 31 December 2024, the Bank has one (1) representative office, one (1) Business Center, and one hundred and forty seven (147) branches and transaction offices located in cities and provinces throughout Vietnam.

Subsidiary

As at 31 December 2024, the Bank has one (1) subsidiary:

| <i>Subsidiary</i> | <i>Operating License No.</i> | <i>Nature of business</i> | <i>Ownership of the Bank</i> |
|---|---|----------------------------------|------------------------------|
| Nam A Bank Asset Management Company Limited | 0304691951 issued by the Department of Planning and Investment of Ho Chi Minh City, amended for nineteenth (19) time on 16 January 2023 | Debt management and asset mining | 100% |

Employees

The Bank and its subsidiary's total number of employees as at 31 December 2024 is 5,317 persons (31 December 2023 is 5,357 persons).

Nam A Commercial Joint Stock Bank

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2. BASIS OF PREPARATION

2.1 *Statement of compliance*

The Board of Management of the Bank confirms that the accompanying consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, and other relevant statutory requirements pertaining to the preparation and presentation of the consolidated financial statements.

2.2 *Accounting standards and system*

The consolidated financial statements of the Bank and its subsidiary have been prepared in accordance with the Accounting System applicable to Credit Institutions, as required under Decision No. 479/2004/QĐ-NHNN issued on 29 April 2004, Circular 10/2014/TT-NHNN dated 20 March 2014 and Circular 22/2017/TT-NHNN dated 29 December 2017, which amend and supplement Decision No. 479/2004/QĐ-NHNN; Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, Circular 27/2021/TT-NHNN issued by State Bank of Vietnam on 31 December 2021, Circular 49/2014/TT-NHNN, which amends and supplements several articles of Decision No. 16/2007/QĐ-NHNN, other Vietnamese Accounting Standard issued by the Ministry of Finance as per:

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

Accordingly, the accompanying consolidated financial statements and their utilization are not designed for individuals who are not familiar with Vietnam's accounting principles, procedures, and practices, and furthermore, are not intended to present the consolidated financial position, consolidated income statement, and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Any items or balances required by Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, Circular 49/2014/TT-NHNN dated 31 December 2014, and Circular 27/2021/TT-NHNN dated 31 December 2021, which stipulate the reporting mechanism for consolidated financial statements of credit institutions, that are not shown in these consolidated financial statements, indicate nil balance.

2.3 *Fiscal year*

The fiscal year of the Bank and its subsidiary starts on 1 January and ends on 31 December.

Nam A Commercial Joint Stock Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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2. BASIS OF PREPARATION (continued)

2.4 Accounting currency

The consolidated financial statements are prepared in Vietnam dong ("VND"). For the presentation of the consolidated financial statements as at 31 December 2024, the data is rounded to millions and expressed in millions of Vietnam dong ("VND million"). This presentation does not affect the view of users of the consolidated financial statements regarding the consolidated financial position, consolidated income statement, and consolidated cash flows.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiary for the year ended 31 December 2024.

Subsidiary is fully consolidated from the date of acquisition, which is the date on which the Bank and its subsidiary obtain control and continue to be consolidated until the date when such control ceases.

The financial statements of the Bank and its subsidiary are prepared for the same reporting year as the parent bank, using consistent accounting policies.

All intra-company balances, income, expenses, and unrealized gains or losses resulting from intra-company transactions are fully eliminated.

2.6 Assumptions and uses of estimates

The preparation of the consolidated financial statements requires the Board of Management of the Bank to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities. These estimates and assumptions also impact the income, expenses, and the resultant provisions. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty, and actual results may differ, leading to future changes in such provision.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Changes in accounting policies and disclosures

The accounting policies adopted by the Bank and its subsidiary in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank and its subsidiary's consolidated financial statements for the year ended 31 December 2023, except for the following change in accounting policy

The Law on Credit Institutions No. 32/2024/QH15 dated 18 January 2024, regulates the establishment, organization, operation, early intervention, special control, reorganization, dissolution and bankruptcy of credit institutions; establishment, organization, operation, early intervention, dissolution and termination of operations of branches of foreign banks; establishment and operation of representative offices in Vietnam of foreign credit institutions and other foreign institutions performing banking operations; settlement of bad debts and collateral of bad debts of credit institutions, branches of foreign banks and wholly state-owned organizations authorized to buy, sell and settle debts. This law takes effect from 1 July 2024.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 *Changes in accounting policies and disclosures (continued)*

Decree No. 86/2024/NĐ-CP regulates amounts and methods of establishing risk provisions and use of provisions for management of risks arising from operations of credit institutions and foreign bank branches and cases in which credit institutions allocate forgivable interest ("Decree 86").

Decree 86 takes effect from 11 July 2024, replaces the regulations related to the provisioning levels and methods for risk provisions, as well as the use of provisions to address risks in Circular 11/2021/TT-NHNN ("Circular 11"). The Bank and its has implemented the provisioning and utilization of risk provisions in accordance with the regulations of Decree 86 during the year.

Circular 31/2024/TT-NHNN ("Circular 31") regulates the classification of assets in the operations of commercial banks, non-bank credit institutions, and foreign bank branches.

Circular 31/2024/TT-NHNN ("Circular 31") regulates the classification of assets in the operations of commercial banks, non-bank credit institutions, and foreign bank branches, effective from 11 July 2024, replacing Circular 11. Circular 31 amends the regulations related to debt classification in Circular 11. The main changes of Circular 31 affect the estimation of provisions as follows: it adds principles for classifying debts arising from letter of credit operations, outright purchase of documents presented under letters of credit, and some other operations.

Circular 21/2024/TT-NHNN ("Circular 21") regulates the operations of letters of credit and other business activities related to letters of credit.

Circular 21 takes effect from 1 July 2024, and the letter of credit operation is considered a form of credit provision through the issuance, confirmation, negotiation of payment, and reimbursement of letters of credit. Contracts and agreements related to this operation signed before the effective date of Circular 21 will continue to be executed until they expire and the obligations are fulfilled. Amendments, supplements, and extensions can only be made if they comply with Circular 21.

Circular 06/2024/TT-NHNN ("Circular 06") dated 18 June 2024, amends and supplements some Articles of the Circular No. 02/2023/TT-NHNN dated 23 April 2023 of the Governor of the State Bank of Vietnam providing instructions for credit institutions and foreign branch banks on debt rescheduling and retention of debt category to assist borrowers in difficulties. This circular takes effect from 18 June 2024.

Circular 53/2024/TT-NHNN ("Circular 53") dated 4 December 2024, regulates instructions for credit institutions and foreign bank branches on debt rescheduling for borrowers facing difficulties due to impact and damage caused by Storm No. 3, floods, landslides in the aftermath of Storm No. 3. This circular takes effect from 4 December 2024.

3.2 *Cash and cash equivalents*

Cash and cash equivalents include cash on hand and gold, balances with the SBV, amounts due from other credit institutions on demand or with an original maturity of less than three months from the transaction date and investment securities with a maturity of less than three months from the purchase date, which are readily convertible into cash and do not bear the liquidity risk at the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Due from and loans to other credit institutions

Due from and loans to other credit institutions are presented at the principal amounts outstanding at the end of the year.

The classification of credit risk for deposits and loans to other credit institutions and the corresponding provisioning is carried out in accordance with the regulations in Circular 31 and Decree 86, which stipulate the classification of assets, provisioning levels, methods of provisioning for risks, and the use of provisions to handle risks in the operations of credit institutions and foreign bank branches.

Accordingly, the Bank makes specific provisions for deposits (excluding demand deposits) and loans to other credit institutions according to the method outlined in *Note 3.5*.

According to Decree 86, the Bank is not required to make general provisions for deposits at and loans to other credit institutions.

Under Circular 31, for loans to credit institutions that are under special control as stipulated in Clause 9, Article 174 of the Law on Credit Institutions No. 32/2024/QH15, the Bank classifies these loans as standard debt and is not required to adjust the debt classification according to the customer list provided by the National Credit Information Center of Vietnam under the State Bank of Vietnam ("CIC").

3.4 Loans to customers

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

The provision for credit losses of loans to customers is presented separately as 1 (one) line in the consolidated statement of financial position.

Short-term loans have a maximum term of 1 (one) year from the disbursement date. Medium-term loans have a term ranging from above 1 (one) year to a maximum of 5 (five) years. Long-term loans are loans with a term of over 5 years from the disbursement date.

Loan classification and provision for credit losses are made according to Circular 31 and Decree 86 as described in *Note 3.5*.

3.5 Debt classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets

3.5.1 Debt classification and provision for credit losses

The classification of due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bond, and loans to customers, and entrustments for credit granting, as well as other credit risk bearing assets (collectively referred to as "debts"), is recognized based on the quantitative method prescribed in Article 10 of Circular 31. Accordingly, debts are classified into the following levels of risk: Current, Special mention, Substandard, Doubtful and Loss, based on their overdue status. Debts classified as Substandard, Doubtful and Loss are considered bad debt.

A general provision as at 31 December 2024 is made at 0.75% of the total outstanding loans as at 31 December 2024 excluding due from and loans to other credit institutions and loans classified as loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 **Debt classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets** (continued)

Specific provision as at 31 December 2024 is calculated using the principal balance minus the discounted value of collaterals, multiplied by provision rates determined based on the debt classification results as at 31 December 2024. The basis for determining the value and discounted rate for each type of collateral is specified in Decree 86.

The debt classification and specific provision rates for each loan group are as follows:

| Loan group | | Description | Specific provision rate |
|------------|-----------------|---|-------------------------|
| 1 | Current | (a) Current debts are assessed as fully and timely recoverable for both principals and interests; or (b) Debts are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests. | 0% |
| 2 | Special Mention | (a) Debts are overdue for a period of between 10 days and 90 days; or (b) Debts which the repayment terms are restructured for the first time that is unmatured. | 5% |
| 3 | Sub-standard | (a) Debts are overdue for a period of between 91 days and 180 days; or (b) Debts which the repayment terms are extended for the first time that is unmatured; or (c) Debts which interests are exempted or reduced interest due to the customer's inability to pay the full interest as agreed; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: <ul style="list-style-type: none"> ▪ Debts made in compliance with Clause 1, 3, 4, 5, 6 under Article 134 of Law on Credit Institutions; or ▪ Debts made in compliance with Clause 1, 2, 3, 4 under Article 135 of Law on Credit Institutions; or ▪ Debts made in compliance with Clauses 1, 2, 5, 9 under Article 136 of Law on Credit Institutions. (e) Debts are required to be recovered according to regulatory inspection conclusions; or (f) Debts are required to be recovered under a premature debt recovery decision issued by the bank due to the customer's breach of agreements made with the bank but is not yet recovered within a period of less than 30 days from the effective date of the debt recovery decision; or (g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information. | 20% |

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Debt classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets* (continued)

3.5.1 *Debt classification and provision for credit losses* (continued)

| Loan group | | Description | Specific provision rate |
|------------|----------|---|-------------------------|
| 4 | Doubtful | <ul style="list-style-type: none"> (a) Debts are overdue for a period of between 181 days and 360 days; or (b) Debts which the repayment terms are restructured for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or (c) Debts which the repayment terms are restructured for the second time that is unmatured; or (d) Debts are specified in point (d) of Loan group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or (e) Debts are required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection conclusions; or (f) Debts are required to be recovered according to a premature debt recovery decision issued by the bank or non-bank credit institution due to the customer's breach of agreements made with the bank or non-bank credit institution but is not yet recovered within a period of 30 to 60 days from the effective date of the debt recovery decision; or (g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information. | 50% |
| 5 | Loss | <ul style="list-style-type: none"> (a) Debts are overdue for a period of more than 360 days; or (b) Debts of which the repayment terms are restructured for the first time but still overdue for a period of 91 days or more under that first restructured repayment term; or (c) Debts of which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts of which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or (e) Debts are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts are required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or (g) Debts are required to be recovered according a premature debt recovery decision issued by the bank or non-bank credit institution due to the customer's breach of agreements made with the bank or non-bank credit institution but is not yet recovered within a period of more than 60 days from the effective date of the debt recovery decision; or (h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are blocked; or (i) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information. | 100% |

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Debt classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets* (continued)

3.5.1 *Debt classification and provision for credit losses* (continued)

If a customer has more than one debt with the Bank and its subsidiary, and any of the outstanding debts is classified into a higher risk group, the entire remaining debts of such customer should be classified into the corresponding higher risk group.

If a customer is classified into a debt group with lower risk than the debt group in CIC list, the Bank and its subsidiary must adjust the debt classification results according to the CIC list.

When the Bank and its subsidiary participate in a syndicated loan as a participant, they should classify loans (including syndicated loans) of the customer into the group of higher risk between the assessment of the leading bank and the Bank and its subsidiary.

3.5.2 *Loan restructuring and loan classification retention support borrowers facing financial difficulties*

From 13 March 2020 to 30 June 2022, the Bank and its subsidiary applied the policy of loan restructuring, interest and/or fees exemption or reduction and loan classification retention for loans that meet conditions according to Circular 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01"), Circular 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03"), and Circular 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") issued by the State Bank of Vietnam, which provide regulations on loan restructuring, interest and/or fees exemption or reduction, and loan classification retention to assist customers affected by the COVID-19 pandemic.

From 24 April 2023, the Bank and its subsidiary applied the policy of loan restructuring and loan classification retention to support customers who face difficulties in production and business activities, as well as facing difficulties in repaying loans to meet their daily life and consumption needs. This policy aligns with the conditions set forth in Circular 02/2023/TT-NHNN, which was issued by SBV on 23 April 2023 and Circular 06/2024/TT-NHNN, which was issued by SBV on 18 June 2024 amends some articles of Circular 02, which provides instructions to credit institutions and foreign branch banks on loan restructuring and the retention of loan classification to assist borrowers facing financial difficulties.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Debt classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets (continued)

3.5.2 Loan restructuring and loan classification retention support borrowers facing financial difficulties (continued)

Accordingly, the Bank and its subsidiary apply loan classification for loans that fall under the policy of loan restructuring and loan classification retention as follows:

| Disbursement date | Overdue status | Overdue date | Principle of loan classification retention |
|-----------------------------|--|------------------------------|--|
| Before 1/8/2021 | Current or overdue for a period of 10 days | From 30/3/2020 to 30/6/2022 | Retain the latest loan classification as before 23 January 2020 or as before the first-time restructuring date |
| Before 23/1/2020 | Overdue | From 23/1/2020 to 29/3/2020 | Retain the latest loan classification as before 23 January 2020 |
| From 23/1/2020 to 10/6/2020 | | From 23/1/2020 to 17/5/2021 | Retain the latest loan classification as before overdue transferring date |
| From 10/6/2020 to 1/8/2021 | | From 17/7/2021 to 7/9/2021 | |
| Before 24/4/2023 | Current or overdue for a period of 10 days | From 24/4/2023 to 31/12/2024 | Retain the latest loan classification as before the restructuring date |

From 4 December 2024, according to Circular 53/2024/TT-NHNN ("Circular 53"), the Bank will restructure the repayment terms and maintain the debt classification for customers facing difficulties due to Storm No. 4. This policy applies to individual and organizational customers (excluding credit institutions and foreign bank branches) in 26 affected provinces and cities. The restructuring of repayment terms and maintenance of debt classification will be carried out based on the customer's request and the Bank's financial capacity.

| Disbursement date | Overdue status | Overdue date | Principle of loan classification retention |
|-------------------|--|-----------------------------|--|
| Before 7/9/2024 | Current or overdue for a period of 10 days | From 7/9/2024 to 31/12/2025 | Retain the latest loan classification as before the restructuring date |

For loans whose repayment term was restructured, interest and/or fees were exempted or reduced, and loan classification was retained, if they become overdue under the restructured repayment term and are not eligible for further restructuring under current regulations, the Bank and its subsidiary makes loan classification and provisions in accordance with Circular 31 and Decree 86.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Debt classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets (continued)

3.5.3 Specific provision for customers with debts that have been restructured on term basis and are subject to loan classification retention

The Bank and its subsidiary make specific provisions for customers with debts that have been restructured on a term basis and are subject to loan classification retention according to the following formula: $C = A - B$

In which:

- C: Additional specific provision;
- A: Specific provision to be made for all outstanding loan balances of customers according to the results of loan classification under Circular 31 and Decree 86 (Note 3.5.1);
- B: Total specific provision to be made for the outstanding balance of loans applying loan classification under the policy of loan classification retention (Note 3.5.2) and specific provision to be made for the remaining loan balances of the customers according to the results of loan classification under Circular 31 and Decree 86 (Note 3.5.1).

The additional specific provision (referred to as C) is made by the Bank and its subsidiary when preparing financial statements, ensuring the provisioning at as follows:

- ▶ For loans that fall under the policy of loan restructuring and loan classification retention as prescribed in Circular 01, Circular 03, and Circular 14:
 - + By 31 December 2021: At least 30% of the additional specific provision must be made;
 - + By 31 December 2022: At least 60% of the additional specific provision must be made;
 - + By 31 December 2023: 100% of the additional specific provision must be made.
- ▶ For loans that fall under the policy of loan restructuring and loan classification retention as prescribed in Circular 02
 - + By 31 December 2023: At least 50% of the additional specific provision must be made;
 - + By 31 December 2024: 100% of the additional specific provision must be made.
- ▶ For loans that fall under the policy of loan restructuring and loan classification retention as prescribed in Circular 53.
 - + By 31 December 2024: At least 35% of the additional specific provision must be made;
 - + By 31 December 2025: At least 70% of the additional specific provision must be made;
 - + By 31 December 2026: 100% of the additional specific provision must be made.

Write-off bad debts

Provisions are recognized as an expense in the consolidated income statement and are used to address bad debts. According to Circular 31 and Decree 86, the Bank and its subsidiary establish a risk settlement committee to handle bad debts if they are classified in group 5 or if the borrower is an organization that is dissolved or bankrupt, or an individual who is deceased or missing.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Securities held for trading*

3.6.1 *Classification and recognition*

Securities held for trading include debt securities purchased for trading purposes. Securities held for trading are initially recognized at cost on transaction date.

3.6.2 *Measurement*

Periodically, securities held for trading will be considered for diminution in value.

Provision for diminution in value of securities held for trading is made specifically for loss investment. The Bank and its subsidiary make provision for securities held for trading if there is substantial evidence indicating a decline in the value of these investment at consolidated statement of financial position date. Provision for diminution is recognized to the consolidated income statement at "Net gain from securities held for trading".

Provision for securities held for trading which is mentioned above is reversed when the recoverable amount of securities held for trading increases after the provision is made as a result of an objective event. Provision is reversed up to the gross value of these securities before the provision is made.

Gains or losses from sales of trading securities are recognized in the consolidated income statement.

Interest and dividends derived from securities held for trading are recognized on cash basis in the consolidated income statement.

3.6.3 *De-recognition*

Securities held for trading are de-recognized when the rights to receive cash flows from these securities are terminated or the Bank and its subsidiary transfers substantially all the risks and rewards of ownership of these securities.

3.7 *Available-for-sale securities*

3.7.1 *Classification and recognition*

Available-for-sale securities include debt and equity securities that are acquired by the Bank for investment and available-for-sale purposes. These securities are not regularly traded but can be sold when there is a benefit. For equity securities, the Bank and its subsidiary is also neither the founding shareholder nor the strategic partner, and it does not have the ability to exert significant influence in establishing and making the financial and operating policies of the investees through a written agreement on the assignment of personnel to the Board of Directors/Management.

Available-for-sale equity securities are initially recognized at cost on the purchase date and continuously presented at cost in subsequent periods.

Available-for-sale debt securities are recognized at par value on the purchase date. Accrued interest (for debt securities with interest payment in arrears) and deferred interest (for debt securities with interest payment in advance) are recognized in consolidated accounts. The discount/premium, which is the difference between the cost and the par value plus (+) accrued interest (if any) or minus (-) deferred interest (if any) is also recognized in a consolidated account.

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium (if any) is amortized to the consolidated income statement on a straight-line basis over the remaining term of securities. Interest received in arrears is recorded as follows: Cumulative interest incurred before the purchasing date is recorded as a decrease in the accrued interest, while cumulative interest incurred after the purchasing date is recognized as income based on the accumulated method. Interest received in advance is amortized into the securities investment interest income on a straight-line basis over the term of securities investment.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Available-for-sale securities* (continued)

3.7.2 *Measurement*

Periodically, available-for-sale securities will be considered for diminution in value.

The provision for diminution in value of available-for-sale securities is made when the book value of the securities is higher than their market value accordance with Circular 48/2019/TT-BTC (Circular 48) and Circular 24/2022/TT-BTC (Circular 24). The provision for diminution in value is recorded under "*Net gain/(loss) from investment securities*" in the consolidated income statement.

For corporate bonds that have not yet been listed on the securities market or have not been registered for trading on unlisted public companies, the Bank and its subsidiary shall classify and make provisions for those bonds in accordance with Circular 31 and Decree 86 as presented in *Note 3.5*.

3.8 *Held-to-maturity investment securities*

Held-to-maturity investment securities are debt securities purchased by the Bank and its subsidiary for the purpose of earning interest, and the Bank and its subsidiary has the capability and intention to hold these investments until maturity. Held-to-maturity securities have a determined value and maturity date. In the event that the securities are sold before the maturity date, they will be reclassified as either securities held for trading or available-for-sale securities.

Held-to-maturity investment securities are recognized and measured similarly to available-for-sale securities, as described in *Note 3.7*.

3.9 *Repurchase agreements*

Securities sold under agreements to be repurchased at a specific date in the future ("repos") are not derecognized from the consolidated financial statements. The corresponding cash received is recognized in the consolidated statement of financial position as a liability item. The difference between the sale price and repurchase price is recognized to the consolidated income statement using contract interest rate.

3.10 *Other long-term investments*

3.10.1 *Investments in subsidiary*

Investments in subsidiary are carried at cost in the consolidated financial statements of the Bank and its subsidiary. Dividends received from the profit after tax of subsidiary are recognized as income in the consolidated income statement.

Provisions for diminution in the value of investments in subsidiary are made for each impaired investment and are subject to revision at the date of the consolidated statement of financial position. Provision for investments in subsidiary is made when the investments are impaired due to losses incurred by the subsidiary. Increases or decreases in the provision balance are recognized as "*Other operating expense*".

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Other long-term investments (continued)

3.10.2 Other long-term investments

Other long-term investments represent investments in entities in which the Bank and its subsidiary holds less than or equal to 11% of voting rights. These investments are initially recorded at cost on the investment date.

Provision for diminution in the value of investment is made when there is substantial evidence indicating a decline in the value of these investments at the consolidated statement of financial position date.

For securities which are not listed but are registered for trading on the unlisted public company market (UPCoM), provision for diminution in value is made when their average referenced price within the last 30 trading days prior to the preparation of the consolidated financial statements, as announced by the Stock Exchange, is lower than the carrying value of the securities at the fiscal year end date.

In other cases, provision for diminution in the value of long-term investment is made if the invested economic organizations experience losses. The provision for diminution is calculated according to the following formula:

| | | | | | | |
|-----------------------------------|---|---|---|--|---|--|
| Level of provision for investment | = | Actual rate of charter capital (%) of the Bank and its subsidiary at an business organization at the time of making the provision | x | Parties' actual investment capital at the business organization receiving capital contribution at the time of making the provision | - | Actual equity capital of business organization at the time of making the provision |
|-----------------------------------|---|---|---|--|---|--|

Provision is reversed when the recoverable amount of the investment increases after the provision is made. The provision is reversed up to the gross value of the investment before the provision is made.

An increase or decrease in the provision for long-term investments is recognized in "Other operating expense" on the consolidated income statement.

3.11 Fixed assets

Fixed assets are stated at cost less accumulated depreciation or accumulated amortization.

The cost of a fixed asset includes any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements, and renewals are added to the carrying amount of the assets, while other expenditures are charged to the consolidated income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalized in the consolidated statement of financial position at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the consolidated income statement over the lease term to achieve a constant rate of interest on the remaining balance of the finance lease liability.

Capitalized financial leased assets are depreciated using the straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the consolidated income statement in "Operating expenses" on a straight-line basis over the lease term.

Income from operating leases is recognized in "Income from service activities" in the consolidated statement of income on a straight-line basis over the lease term.

3.13 Investment properties

Investment properties are stated at cost, including transaction costs, less accumulated depreciation and/or amortization.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Bank and its subsidiary.

Investment properties are derecognized when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognized in the consolidated income statement in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party, or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. When reclassifying investment properties to fixed assets, the cost and the net book value of the fixed assets remain unchanged at the reclassified date.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 Depreciation and amortization

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

| | |
|--------------------------|---------------|
| Buildings and structures | 5 - 30 years |
| Machinery and equipment | 3 - 8 years |
| Vehicles | 3 - 8 years |
| Office equipment | 3 - 8 years |
| Other tangible assets | 3 - 10 years |
| Software | 3 - 8 years |
| Land use rights | 30 - 50 years |

Infinite land use rights granted by the Government are not amortized. Definite term land use rights are amortized over the term of use.

3.15 Other receivables

3.15.1 Receivables classified as credit-risk assets

Receivables classified as credit-risk assets are recognized at cost. Doubtful receivables are classified and provided for allowance by the Bank and its subsidiary in accordance with the regulations on recognition and use of provision as presented in Note 3.5.

3.15.2 Other receivables

Receivables other than receivables from credit activities in the Bank and its subsidiary's operations are recognized at historical cost and subsequently recognized at cost during the holding periods.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts. This provision is made when the debts are not yet due for payment, but the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or when individual debtors are missing, having escaped, are being prosecuted, on trial or deceased. The provision expense incurred is recorded into "Other operating expense" of the consolidated income statement during the year.

The provision for overdue debts is made in accordance with the guidance provided in Circular 48/2019/TT-BTC, as amended by Circular 24/2022/TT-BTC, as follows:

| <u>Overdue period</u> | <u>Provision rate</u> |
|--|-----------------------|
| From six months up to one year | 30% |
| From one year up to under two years | 50% |
| From two years up to under three years | 70% |
| From three years and above | 100% |

3.16 Prepaid expenses

Prepaid expenses include short-term prepaids or long-term prepaids on the consolidated statement of financial position and are amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Borrowings from the Government and the SBV; due to and borrowings from other credit institutions; due to customers; valuable papers issued; and grants, entrusted funds and loans exposed to risks*

Borrowings from the Government and the SBV; due to and borrowings from other credit institutions; due to customers; valuable papers issued; and grants, entrusted funds, and loans exposed to risks are disclosed at the principal amounts outstanding at the date of the consolidated financial statements. At initial recognition, issuance costs are deducted from the cost of the valuable papers. These costs are allocated on a straight-line method during the lifetime of the valuable papers to "Interest and similar expense".

3.18 *Payables and accruals*

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Bank and its subsidiary.

3.19 *Loan classification for off-statement of financial position commitments*

Off-statement of financial position commitments include guarantees, payment acceptances, and loan commitments that are irrevocable, unconditional, and have a specific time of execution.

Classification for off-statement of financial position commitments is only used to monitor the credit quality. Accordingly, commitments and contingent liabilities are classified for management and credit quality monitoring purposes, as described in *Note 3.5*.

According to Circular 31 and Decree 86, the Bank and its subsidiary are not required to make provisions for off-statement of financial position commitments.

3.20 *Fiduciary assets*

Assets in entrusted assets management of the Bank and its subsidiary are not recognized as the Bank and its subsidiary's assets, hence, will not be included in the consolidated financial statements.

3.21 *Derivatives financial instruments*

The Bank and its subsidiary involve in currency forward contracts and currency swap contracts to facilitate customers in transferring, modifying, or minimizing foreign exchange risk or other market risks, as well as for the trading purpose.

Currency forward contracts

The currency forward contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates, calculated on the notional amount. The currency forward contracts are recognized at the nominal value on the transaction date and are revalued for the reporting purposes at the exchange rate on the reporting date. Realized or unrealized gains or losses are recognized in the "Exchange rate revaluation" in "Owners' equity" and will be transferred to the consolidated income statement at the end of the financial year. The premium or discount derived from the difference between the spot rate and the forward rate is recorded as assets if positive or a liability if negative in the consolidated statement of financial position at the contract date. The difference is amortized on a straight-line basis over the forward contract period and recognized in the consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Derivatives financial instruments (continued)

Currency swap contracts

The swap contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates calculated on the notional principal amount. The premium or discount resulting from the difference between the spot rate at the effective date of the contract and the forward rate is recognized immediately at the effective date of the contract as an asset if positive or a liability if negative in the consolidated statement of financial position. The difference is amortized on a straight-line basis over the life of the swap contract and recognized in the consolidated income statement.

3.22 Capital

3.22.1 Ordinary shares

Ordinary shares are classified as equity.

3.22.2 Share premium

The Bank and its subsidiary record the difference between the par value and issue price of shares if the issue price is higher than par value, and the difference between the price of repurchasing of treasury stocks and the re-issue price of treasury stocks to the share premium account. The expense related to issuing shares will be recorded as a deductible share premium.

3.22.3 Funds and reserves

The Bank and its subsidiary have established the following reserves in accordance with the Law on Credit Institutions No. 32/2024/QH15, Decree No. 93/2017/ND-CP, and the Bank's Charter as follows:

| | <i>% of profit after tax</i> | <i>Maximum rate</i> |
|-------------------------------|------------------------------|------------------------|
| Capital supplementary reserve | 10% of profit after tax | 100% chartered capital |
| Financial reserve | 10% of profit after tax | Not regulated |

Other funds will be allocated from profit after tax. The allocation from profit after tax and the utilization of funds must be approved by the Annual General Meeting of Shareholder. These reserves are not regulated by statutory requirements and are allowed to be fully allocated.

Reserves of Nam A Bank Asset Management Company Limited

According to Circular 27/2002/TT-BTC dated 22 March 2002, the allocation of retained earnings, appropriation of profit to reserves, and utilization of reserves of the Company are implemented in accordance with the regulations applied to the Bank and its subsidiary through which the Company was established.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 *Recognition of income and expenses*

Interest income and interest expenses

Interest income and interest expenses are recognized in the consolidated income statement on an accrual basis. The recognition of accrued interest income arising from loans classified in Groups 2 to 5 in accordance with Circular 31 and Decree 86, and loans with repayment term restructuring and loan classification retention according to regulations, will not be recognized in the consolidated income statement. Suspended interest income is reversed, monitored off-statement of financial position and recognized in the consolidated income statement upon actual receipt.

Fees and commissions income

Fees and commissions are recognized when services are rendered.

Income from investment

Income from investments is recognized based on the difference between the selling price and average cost of the securities sold.

Cash dividends from investment are recognized in the consolidated income statement when the Bank and its subsidiary's right to receive the payment is established. For stock dividends and bonus shares, the number of shares is updated, and no dividend income is recognized in the consolidated income statement.

Other income

Other income is recognized on cash basis.

According to Circular 16/2018/TT-BTC issued by the Ministry of Finance on dated 07 February 2018, which provides guidance on financial regulations for credit institutions and branches of foreign banks, in the event that accounts receivable previously recorded as income but are deemed uncollectible or are not received when due, the Bank and its subsidiary shall recognize a reduction in revenue if it occurs within the same accounting period. If the reduction does not happen in the same accounting period, they shall recognize such receivables as expenses and remove them from the statement of financial position to facilitate collection. Once the accounts receivable is eventually collected, the Bank and its subsidiary shall record them as income in the consolidated income statement.

3.24 *Corporate income tax*

Current corporate income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from (or paid to) the taxation authorities. The tax rates and tax laws used to compute the amount are those that are effective as at the consolidated statement of financial position date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also accounted in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Bank and its subsidiary to set off current tax assets against current tax liabilities, and when the Bank and its subsidiary intend to settle its current tax assets and liabilities on a net basis.

The tax returns of the Bank and its subsidiary are subject to examination by the tax authorities. Due to the ambiguity associated with the applicability of tax laws and regulations, the amounts reported in the consolidated financial statements could be changed later upon final determination by the tax authorities.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 *Foreign currency transactions*

In accordance with the accounting system of the Bank and its subsidiary, all transactions are recorded in their original currencies. Monetary assets and liabilities denominated in foreign currencies are converted into VND using exchange rates that are in effect at the consolidated statement of financial position (*Note 51*). Income and expenses arising in foreign currencies are converted into VND at the rates that are in effect on the transaction dates. Exchange rate revaluation resulting from the conversion of monetary assets and liabilities from foreign currency to VND during the year are recognized and tracked under "Exchange rate revaluation" within "Owners' Equity" in the consolidated statement of financial position. These differences will be transferred to the consolidated income statement at the end of the financial year.

3.26 *Offsetting*

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if, and only if, the Bank and its subsidiary have a currently enforceable legal right to offset financial assets against financial liabilities or vice-versa and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously.

3.27 *Employee benefits*

3.27.1 *Post-employment benefits*

Post-employment benefits are paid to retired employees of the Bank and its subsidiary by the Social Insurance Agency, which belongs to the Ministry of Labour, Invalids and Social Affairs. The Bank and its subsidiary are required to contribute to these post-employment benefits by paying social insurance premiums to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary monthly, allowances and other additional payments. Besides, the Bank and its subsidiary have no further obligations for post-employee benefits.

3.27.2 *Voluntary resignation benefits*

Under Article 46 of Labor Code No. 45/2019/QH14, effective from 1 January 2021, the Bank and its subsidiary have the obligation to pay an allowance arising from the voluntary resignation of employees. This allowance is equal to one-half month's salary for each year of employment up to 31 December 2008, plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month up to the resignation date.

3.27.3 *Unemployment insurance*

According to current regulations, the Bank and its subsidiary are obliged to pay unemployment insurance at a rate of 1% of its salary fund used for unemployment insurance purposes and required to deduct 1% of each employee's salary to pay simultaneously to the Unemployment Insurance Fund.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.28 Earnings per share

The Bank and its subsidiary present basic earnings per share for ordinary shares. Basic earnings per share amounts are calculated by dividing the net profit or loss after tax attributable to ordinary shareholders of the Bank and its subsidiary (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

If the shares issued during the year only change the number of shares without changing the total equity, the Bank and its subsidiary will adjust the weighted average number of ordinary shares currently circulated to the previous presented on the consolidated financial statements, resulting in a corresponding adjustment of the opening balance of the basic earnings per shares.

3.28 Segment reporting

A segment is a component determined separately by the Bank and its subsidiary, which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. The business segment of the Bank and its subsidiary are derived mainly from the business segment.

3.29 Related parties

Parties are considered related parties of the Bank and its subsidiary if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Additionally, related parties include situations where, or when the Bank and its subsidiary along with another party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

4. CASH AND GOLD

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|------------------------------------|---|--|
| Cash on hand in VND | 1,009,089 | 1,001,030 |
| Cash on hand in foreign currencies | 138,834 | 130,654 |
| Monetary gold | 566 | 1,285 |
| | 1,148,489 | 1,132,969 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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5. BALANCES WITH THE STATE BANK OF VIETNAM ("SBV")

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|-----------------------|---|--|
| In VND | 13,563,341 | 16,178,399 |
| In foreign currencies | 69,591 | 89,648 |
| | 13,632,932 | 16,268,047 |

Balances with the SBV include settlement and compulsory reserves. The average balances of the Bank and its subsidiary with the State Bank of Vietnam are not less than the compulsory reserve in any given month. The compulsory reserve is calculated by multiplying average deposit balances of previous month by the compulsory reserve rates.

The compulsory deposit rates are as follows:

| | <i>31 December 2024</i> <i>%</i> | <i>31 December 2023</i> <i>%</i> |
|--|-------------------------------------|-------------------------------------|
| <i>For customers</i> | | |
| Demand deposits and term deposits with maturity term less than 12 months in VND | 3.00 | 3.00 |
| Term deposits with maturity term from 12 months and above in VND | 1.00 | 1.00 |
| Demand deposits and term deposits with maturity term less than 12 months in foreign currencies | 8.00 | 8.00 |
| Term deposits with maturity term from 12 months and above in foreign currencies | 6.00 | 6.00 |
| <i>For overseas credit institutions</i> | | |
| Deposits in foreign currencies | 1.00 | 1.00 |

The actual annual interest rates on balances with the SBV are as follows:

| | <i>31 December 2024</i> <i>% p.a.</i> | <i>31 December 2023</i> <i>% p.a.</i> |
|---|--|--|
| Within compulsory reserve in VND | 0.50 | 0.50 |
| Within compulsory reserve in foreign currencies | 0.00 | 0.00 |
| Over compulsory reserve in VND and foreign currencies | 0.00 | 0.00 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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6. DUE FROM AND LOANS TO OTHER CREDIT INSTITUTIONS

6.1 Due from other credit institutions

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|-------------------------|--------------------------------------|---|
| Demand deposits | 12,021,626 | 9,267,817 |
| - In VND | 11,693,725 | 8,468,742 |
| - In foreign currencies | 327,901 | 799,075 |
| Term deposits | 24,498,272 | 11,533,600 |
| - In VND | 23,891,000 | 10,856,000 |
| - In foreign currencies | 607,272 | 677,600 |
| | 36,519,898 | 20,801,417 |

The interest rates of due from other credit institutions at the year-end are as follows:

| | <i>31 December 2024</i> % p.a. | <i>31 December 2023</i> % p.a. |
|-------------------------|-----------------------------------|-----------------------------------|
| Demand deposits | | |
| - In VND | 0.00 - 0.50 | 0.00 - 0.60 |
| - In foreign currencies | 0.00 - 1.00 | 0.00 - 1.00 |
| Term deposits | | |
| - In VND | 3.80 - 5.80 | 0.80 - 4.00 |
| - In foreign currencies | 5.00 - 5.10 | 5.10 - 5.30 |

6.2 Loans to other credit institutions

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|--------|--------------------------------------|---|
| In VND | 289,885 | 1,789,885 |

These are loans provided to three people's credit funds under specially supervision following the direction of the State Bank of Vietnam at a 0% interest rate (2023: 0%) with an amount of VND289,885 million (31 December 2023: VND289,885 million).

The interest rates of loans to other credit institutions at the year end are as follows:

| | <i>31 December 2024</i> % p.a. | <i>31 December 2023</i> % p.a. |
|---|-----------------------------------|-----------------------------------|
| Loans to other credit institutions | | |
| In VND | 0.00 | 0.00 - 6.30 |

6.3 Analysis of term deposits and loans to other credit institutions by quality

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|----------------|--------------------------------------|---|
| Current | 24,788,157 | 13,323,485 |
| Term deposits | 24,498,272 | 11,533,600 |
| Loans | 289,885 | 1,789,885 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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7. DERIVATIVES AND OTHER FINANCIAL ASSETS AND (OTHER LIABILITIES)

| | <i>Total contract nominal value (at contractual exchange rate) VND million</i> | <i>Total carrying value (at exchange rate as at reporting date)</i> | |
|---|--|---|------------------------------------|
| | | <i>Assets VND million</i> | <i>Liabilities VND million</i> |
| Currency derivative instruments as at 31 December 2024 | | | |
| Swap contracts | 4,118,782 | - | (6,768) |
| | 4,118,782 | - | (6,768) |
| Net amount | | | (6,768) |
| Currency derivative instruments as at 31 December 2023 | | | |
| Forward contracts | 11,907 | 57 | - |
| Swap contracts | 5,752,651 | 39,398 | - |
| | 5,764,558 | 39,455 | - |
| Net amount | | 39,455 | |

8. LOANS TO CUSTOMERS

| | <i>Ending balance VND million</i> | <i>Beginning balance VND million</i> |
|---|---------------------------------------|--|
| Loans to domestic economic entities and individuals | 167,702,005 | 141,428,637 |
| Payments on behalf of customers | 18,097 | 6,238 |
| Discounted transferable instruments and valuable papers | 17,731 | 3,402 |
| Loans financed by grants and entrusted funds | 164 | 164 |
| | 167,737,997 | 141,438,441 |

The annual interest rates of loans to customer at the year-end are as follows:

| | <i>31 December 2024 % p.a.</i> | <i>31 December 2023 % p.a.</i> |
|-----------------------|------------------------------------|------------------------------------|
| In VND | 4.00 - 23.50 | 3.80 - 23.50 |
| In foreign currencies | 3.00 - 5.50 | 3.20 - 7.30 |

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8. LOANS TO CUSTOMERS (continued)

8.1 Analysis of loans by quality

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|-----------------|---|--|
| Current | 161,359,386 | 133,053,654 |
| Special mention | 2,469,632 | 5,395,665 |
| Substandard | 264,304 | 820,666 |
| Doubtful | 1,027,409 | 1,182,425 |
| Loss | 2,617,266 | 986,031 |
| | 167,737,997 | 141,438,441 |

8.2 Analysis of loans by original terms

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|-------------|---|--|
| Short-term | 91,523,999 | 77,393,620 |
| Medium-term | 27,730,309 | 20,841,076 |
| Long-term | 48,483,689 | 43,203,745 |
| | 167,737,997 | 141,438,441 |

8.3 Analysis of loans by type of customers and ownership

| | <i>Ending balance</i> | | <i>Beginning balance</i> | |
|-------------------------------------|-----------------------|--------------|--------------------------|--------------|
| | <i>VND million</i> | <i>%</i> | <i>VND million</i> | <i>%</i> |
| Corporate loans | 138,327,454 | 82.47 | 113,313,435 | 80.12 |
| Other limited companies | 80,371,152 | 47.92 | 61,289,527 | 43.33 |
| Other joint stock companies | 57,818,921 | 34.47 | 51,962,750 | 36.74 |
| Cooperatives and inter-cooperatives | 101,236 | 0.06 | 8,110 | 0.01 |
| Private companies | 32 | 0.00 | 32 | 0.00 |
| Joint-foreign-invested enterprises | 27 | 0.00 | 265 | 0.00 |
| Others | 36,086 | 0.02 | 52,751 | 0.04 |
| Loans to individuals | 29,410,543 | 17.53 | 28,125,006 | 19.88 |
| | 167,737,997 | 100 | 141,438,441 | 100 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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8. LOANS TO CUSTOMERS (continued)

8.4 Analysis of loans by industry

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|---|--------------------------------------|---|
| Trading, repair of motor vehicles, motorcycles, and other vehicles | 71,636,507 | 55,693,320 |
| Hotels and accommodation services | 23,416,639 | 15,730,332 |
| Real estate trading and consulting services | 19,982,380 | 12,802,865 |
| Construction | 12,418,316 | 10,241,206 |
| Activities of households as employers, undifferentiated goods and services producing activities of households for own use | 12,243,761 | 13,949,297 |
| Agriculture, forestry, and fisheries | 9,138,305 | 10,433,935 |
| Electricity, gas, steam, and air conditioning supply | 7,758,888 | 11,513,182 |
| Manufacturing and processing | 3,560,168 | 3,623,355 |
| Arts, entertainment, and recreation | 2,687,391 | 3,683,797 |
| Finance services, banking, and insurance activities | 2,147,909 | 1,020,340 |
| Transportation and warehousing | 963,352 | 1,279,707 |
| Science and technology activities | 877,937 | 199,948 |
| Administrative activities and supporting service | 317,026 | 344,531 |
| Mining exploration | 251,707 | 811,781 |
| Education and training | 150,859 | 10,913 |
| Health and social support activities | 137,800 | 53,620 |
| Water supply; sewerage, waste management and remediation activities | 24,518 | 28,715 |
| Information and communication | 1,710 | 5,464 |
| Others | 22,824 | 12,133 |
| | 167,737,997 | 141,438,441 |

9. PROVISION FOR CREDIT LOSSES

The breakdown of provision for credit losses at the year-end is as follows:

| | <i>Note</i> | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|---------------------------------------|-------------|--------------------------------------|---|
| Provision for loans to customers | 9.1 | 2,065,107 | 1,543,800 |
| Provision for credit risk receivables | 16.4 | - | 4,349 |
| | | 2,065,107 | 1,548,149 |

The provision for credit losses at the year-end is as follows:

| | <i>Note</i> | <i>Current year</i> VND million | <i>Previous year</i> VND million |
|--|-------------|------------------------------------|-------------------------------------|
| Provision expense for loans | 9.1 | 525,251 | 1,323,280 |
| (Reversed)/charged for provision for credit risk receivables | 16.4 | (4,349) | 274 |
| Reversed of provision for special bonds issued by VAMC | 10.4 | - | (475,750) |
| | | 520,902 | 847,804 |

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9. PROVISION FOR CREDIT LOSSES (continued)

9.1 Provision for loans to customers

The movements of provision for credit losses during the current year are as follows:

| | <i>Specific provision VND million</i> | <i>General provision VND million</i> | <i>Total VND million</i> |
|---|---|--|------------------------------|
| 1 January 2024 | 490,407 | 1,053,393 | 1,543,800 |
| Provision charged to during the year | 340,239 | 185,012 | 525,251 |
| Provision used to write-off bad debts during the year | (3,944) | - | (3,944) |
| 31 December 2024 | 826,702 | 1,238,405 | 2,065,107 |

The movements of provision for credit losses during the previous year are as follows:

| | <i>Specific provision VND million</i> | <i>General provision VND million</i> | <i>Total VND million</i> |
|---|---|--|------------------------------|
| 1 January 2023 | 359,510 | 884,718 | 1,244,228 |
| Provision charged to during the year | 1,154,605 | 168,675 | 1,323,280 |
| Provision used to write-off bad debts during the year | (1,023,708) | - | (1,023,708) |
| 31 December 2023 | 490,407 | 1,053,393 | 1,543,800 |

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10. INVESTMENT SECURITIES

10.1 Available-for-sale securities

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|---|--------------------------------------|---|
| Debt securities | | |
| Government bonds (a) | 2,857,573 | 3,084,093 |
| Bonds and deposit certificates issued by other domestic credit institutions (b) | 7,290,000 | 9,582,574 |
| Bonds issued by domestic economic entities | - | 300,000 |
| | 10,147,573 | 12,966,667 |
| Equity securities | | |
| Equity securities issued by other domestic credit institutions | 103,369 | 103,369 |
| Equity securities issued by domestic economic entities | 38,935 | 40,772 |
| | 142,304 | 144,141 |
| | 10,289,877 | 13,110,808 |
| Provision for available-for-sale securities | | |
| Diminution provision | (14,794) | (16,595) |
| General provision | - | (2,250) |
| | (14,794) | (18,845) |
| | 10,275,083 | 13,091,963 |

(a) Government bonds have terms ranging from fifteen (15) years to thirty (30) years and bear interest at rates ranging from 3.60% p.a. to 7.80% p.a.

(b) Bonds issued by other credit institutions have terms ranging from twenty-four (24) months to thirty-six (36) months and earn interest at rates from 5.50% p.a. to 6.80% p.a. Deposit certificates issued by other credit institutions have terms ranging from six (6) months to twelve (12) months and earn interest at rates from 3.00% p.a. to 6.80% p.a.

The listing status of available-for-sale securities is as follows:

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|--------------------------|--------------------------------------|---|
| Debt securities | | |
| Listed | 2,857,573 | 3,084,093 |
| Unlisted | 7,290,000 | 9,882,574 |
| | 10,147,573 | 12,966,667 |
| Equity securities | | |
| Unlisted | 142,304 | 144,141 |
| | 142,304 | 144,141 |

Nam A Commercial Joint Stock Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

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10. INVESTMENT SECURITIES (continued)

10.2 Held-to-maturity securities

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|---|--------------------------------------|---|
| Government bonds (a) | 8,266,428 | 9,977,613 |
| Debt securities by other domestic credit institutions (b) | 2,300,346 | 999,201 |
| | 10,566,774 | 10,976,814 |

(a) These are Government bonds that have terms from ten (10) years to thirty (30) years and earn interest at rates ranging from 2.20% p.a. to 6.30% p.a.

(b) These are bonds issued by other domestic credit institutions that have terms ranging from two (2) years to fifteen (15) years and earn interest at rates ranging from 5.50% to 7.60% p.a. Deposit certificates issued by other credit institutions have terms ranging from six (6) months and earn interest at rates 5.50% p.a

The listing status of held-to-maturity securities is as follows:

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|------------------------|--------------------------------------|---|
| Debt securities | | |
| Listed | 8,666,774 | 10,776,814 |
| Unlisted | 1,900,000 | 200,000 |
| | 10,566,774 | 10,976,814 |

10.3 Analysis of securities classified as credit risk assets by quality

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|---------|--------------------------------------|---|
| Current | 9,190,000 | 10,881,775 |

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10. INVESTMENT SECURITIES (continued)

10.4 Provision for investment securities

The movement of provision for investment securities during the year are as follows:

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|---|---|--|
| 1 January 2024 | | |
| Available-for-sale securities | 18,845 | 49,625 |
| Special bond issued by VAMC | - | 637,815 |
| | 18,845 | 687,440 |
| Utilization of provision | | |
| Special bonds issued by VAMC | - | (162,065) |
| | - | (162,065) |
| Provision charged/(reversal) in the year | | |
| Available for sale securities | (4,051) | (30,780) |
| Special bonds issued by VAMC | - | (475,750) |
| | (4,051) | (506,530) |
| 31 December 2024 | | |
| Available for sale securities | 14,794 | 18,845 |
| | 14,794 | 18,845 |

11. LONG-TERM INVESTMENTS

Breakdown of long-term investments at cost are as follow:

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|-------------------------------|---|--|
| Beta Securities Incorporation | 74,800 | 74,800 |
| Other joint stock companies | 149,211 | 10,520 |
| | 224,011 | 85,320 |

The movements of the provision for long-term investment during the year are as follows:

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|-----------------------------------|---|--|
| 1 January 2024 | - | - |
| Provision charged during the year | 81,252 | - |
| 31 December 2024 | 81,252 | - |

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12. TANGIBLE FIXED ASSETS

| | Buildings and structures VND million | Machinery and equipment VND million | Vehicles VND million | Office equipment VND million | Other fixed assets VND million | Total VND million |
|--|---|--|-------------------------|---------------------------------|-----------------------------------|----------------------|
| Cost | | | | | | |
| Beginning balance | 782,115 | 450,687 | 259,211 | 42,020 | 19,981 | 1,554,014 |
| Additions | 41,592 | 16,850 | 14,417 | 1,099 | 530 | 74,488 |
| Transfer from constructions in progress | 631,265 | 31,639 | 18,798 | 2,708 | 4,456 | 688,866 |
| Disposals | (100) | (687) | (9,180) | (783) | (670) | (11,420) |
| Transfer from financial lease fixed assets | - | - | 1,233 | - | - | 1,233 |
| Ending balance | 1,454,872 | 498,489 | 284,479 | 45,044 | 24,297 | 2,307,181 |
| Accumulated depreciation | | | | | | |
| Beginning balance | 187,767 | 251,452 | 165,630 | 33,629 | 14,467 | 652,945 |
| Charges for the year | 40,140 | 56,574 | 33,060 | 3,161 | 2,797 | 135,732 |
| Transfer from financial lease fixed assets | - | - | 1,078 | - | - | 1,078 |
| Disposals | (100) | (687) | (9,180) | (783) | (670) | (11,420) |
| Ending balance | 227,807 | 307,339 | 190,588 | 36,007 | 16,594 | 778,335 |
| Net book value | | | | | | |
| Beginning balance | 594,348 | 199,235 | 93,581 | 8,391 | 5,514 | 901,069 |
| Ending balance | 1,227,065 | 191,150 | 93,891 | 9,037 | 7,703 | 1,528,846 |

The cost of fully depreciated tangible fixed assets that are still in use as at 31 December 2024 is VND306,075 million (31 December 2023 is VND264,993 million).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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13. FINANCE LEASES FIXED ASSETS

| | <i>Vehicles</i> <i>VND million</i> |
|-----------------------------------|---------------------------------------|
| Cost | |
| Beginning balance | 158,913 |
| Increase during the year | 1,637 |
| Transfer to tangible fixed assets | (1,233) |
| Ending balance | <u>159,317</u> |
| Accumulated depreciation | |
| Beginning balance | 54,577 |
| Charges for the year | 26,073 |
| Transfer to tangible fixed assets | (1,078) |
| Ending balance | <u>79,572</u> |
| Net book value | |
| Beginning balance | <u>104,336</u> |
| Ending balance | <u>79,745</u> |

The Bank and its subsidiary lease some motor vehicles under various finance lease agreements. At the end of the lease term, the Bank and its subsidiary have the option to purchase the motor vehicles.

Nam A Commercial Joint Stock Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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14. INTANGIBLE FIXED ASSETS

| | Definite term land use rights VND million | Indefinite-term land use rights VND million | Computer software VND million | Total VND million |
|--|---|---|----------------------------------|----------------------|
| Cost | | | | |
| Beginning balance | 205,587 | 356,378 | 182,474 | 744,439 |
| Additions | - | - | 8,777 | 8,777 |
| Transfer from construction in progress | - | - | 2,391 | 2,391 |
| Ending balance | 205,587 | 356,378 | 193,642 | 755,607 |
| Accumulated amortization | | | | |
| Beginning balance | 10,553 | - | 152,294 | 162,847 |
| Charges for the year | 6,367 | - | 6,876 | 13,243 |
| Ending balance | 16,920 | - | 159,170 | 176,090 |
| Net book value | | | | |
| Beginning balance | 195,034 | 356,378 | 30,180 | 581,592 |
| Ending balance | 188,667 | 356,378 | 34,472 | 579,517 |

The cost of fully depreciated intangible fixed assets that are still in use as at 31 December 2024 is VND140,415 million (31 December 2023 is VND140,415 million).

Nam A Commercial Joint Stock Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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15. INVESTMENT PROPERTIES

Investment properties, including land use rights with indefinite terms and buildings, were acquired by Asset Management Limited Company - Nam A Commercial Joint Stock Bank through bidding on foreclosed assets. These properties are held for the purpose of earning rental income or for capital appreciation. However, due to the lack of information at the end of the accounting year, the Board of Directors cannot estimate the fair value of investment properties. As a result, the fair value of the investment property has not been formally assessed and determined at the reporting date.

| | <i>Buildings and structures VND million</i> |
|--------------------------|---|
| Cost | |
| Beginning balance | 15,971 |
| Increase during the year | (7,354) |
| Disposal | 21,822 |
| Ending balance | <u>30,439</u> |
| Net book value | |
| Beginning balance | <u>15,971</u> |
| Ending balance | <u>30,439</u> |

16. OTHER ASSETS

16.1 Receivables

| | <i>Ending balance VND million</i> | <i>Beginning balance VND million</i> |
|--|---------------------------------------|--|
| Receivables in fast money transfer | 440,883 | 515,070 |
| Constructions in progress (i) | 179,644 | 293,571 |
| Deposit, mortgage, pledge | 136,868 | 140,778 |
| Operating advances | 85,641 | 363,904 |
| Cash collateral agreement with card corporations | 47,795 | 30,250 |
| Receivables from card payment activities | 26,233 | 32,639 |
| Receivables from debt trading | - | 89,466 |
| Other receivables | 2,433 | 1,033 |
| | <u>919,497</u> | <u>1,466,711</u> |

(i) Constructions in progress include:

| | <i>Ending balance VND million</i> | <i>Beginning balance VND million</i> |
|--------------------------|---------------------------------------|--|
| Buildings and structures | 126,330 | 290,036 |
| Machinery and equipment | 26,932 | 2,367 |
| Transportation vehicles | 24,734 | - |
| Purchase of other assets | 1,648 | 1,168 |
| | <u>179,644</u> | <u>293,571</u> |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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16. OTHER ASSETS (continued)

16.1 Receivables (continued)

The movement of constructions in progress during the year are as follows:

| | <i>Current year</i> VND million | <i>Previous year</i> VND million |
|--|------------------------------------|-------------------------------------|
| Beginning balance | 293,571 | 531,950 |
| Additions | 601,650 | 520,911 |
| Transfer to tangible fixed assets | (688,866) | (457,691) |
| Transfer to intangible fixed assets | (2,391) | (163,065) |
| Transfer to finance lease fixed assets | - | (9,346) |
| Transfer to instrument and tools | (10,345) | (19,675) |
| Transfer to prepaid and operating expenses | (13,975) | (109,513) |
| Ending balance | 179,644 | 293,571 |

16.2 Interest and fee receivables

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|--|--------------------------------------|---|
| Interest receivable from credit activities | 2,635,626 | 1,577,705 |
| Interest receivable from investment securities | 332,984 | 450,910 |
| Interest receivable from deposits | 31,161 | 21,807 |
| Interest receivable from swap contracts | 1,076 | 5,684 |
| Interest receivable from forward contracts | - | 9 |
| Fee receivables | 269 | 20,170 |
| | 3,001,116 | 2,076,285 |

16.3 Other assets

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|--|--------------------------------------|---|
| Prepaid and deferred expenses (i) | 603,962 | 578,172 |
| Foreclosed assets awaiting resolution (ii) | 152,902 | 103,869 |
| Tools and supplies | 23,425 | 20,746 |
| | 780,289 | 702,787 |

(i) Prepaid and deferred expenses primarily include costs for asset of leasing and repairs, costs for purchasing tools and supplies, and other types of prepaid expenses.

(ii) The following are the details of foreclosed assets that have been transferred ownership to other credit institutions and are awaiting resolution:

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|--------------|--------------------------------------|---|
| Shares | 80,684 | 82,047 |
| Real estates | 72,218 | 21,822 |
| | 152,902 | 103,869 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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16. OTHER ASSETS (continued)

16.4 Provision for other assets

Provision for other assets includes:

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|-----------------------------|---|--|
| Provision for credit losses | - | 4,349 |
| <i>General provision</i> | - | 274 |
| <i>Specific provision</i> | - | 4,075 |
| Provision for diminution | 39,176 | 28,674 |
| | 39,176 | 33,023 |

Changes in the provision for other assets during the year are as follows:

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|---|---|--|
| Beginning balance | 33,023 | 26,623 |
| Diminution provision reversal for the year (Reversed)/charged for the general provision of debt trading | 10,502 | 6,126 |
| | (4,349) | 274 |
| Ending balance | 39,176 | 33,023 |

17. BORROWINGS FROM THE GOVERNMENT AND THE SBV

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|---|---|--|
| Borrowing under credit facilities | 155 | 345 |
| Borrowing through discount and rediscount of valuable papers (i) | 2,577,456 | - |
| | 2,577,611 | 345 |

(i) This is a borrowings from the SBV through a term open market operation with a principal term of 7 days and an interest rate of 4.00% p.a.

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18. DUE TO AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

18.1 Due to other credit institutions

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|------------------------|---|--|
| Demand deposits | 11,524,751 | 8,014,467 |
| In VND | 11,524,068 | 8,014,467 |
| In foreign currencies | 683 | - |
| Term deposits | 26,190,543 | 14,802,500 |
| In VND | 24,141,000 | 13,834,500 |
| In foreign currencies | 2,049,543 | 968,000 |
| | <u>37,715,294</u> | <u>22,816,967</u> |

The annual interest rates applicable to due to other credit institutions are as follows:

| | <i>31 December 2024</i> <i>% p.a.</i> | <i>31 December 2023</i> <i>% p.a.</i> |
|-------------------------------------|--|--|
| Term deposits in VND | 3.80 - 5.50 | 0.80 - 5.00 |
| Term deposits in foreign currencies | 4.45 - 5.10 | 5.30 |

18.2 Borrowings from other credit institutions

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|--|---|--|
| Borrowings from other credit institutions | | |
| In VND | 962,260 | 65,126 |
| <i>Pledge, mortgage loans</i> | 917,575 | - |
| <i>Finance leases</i> | 44,685 | 65,126 |
| In foreign currencies | 518,761 | 1,139,581 |
| | <u>1,481,021</u> | <u>1,204,707</u> |

The annual interest rates applicable to borrowings from other credit institutions are as follows:

| | <i>31 December 2024</i> <i>% p.a.</i> | <i>31 December 2023</i> <i>% p.a.</i> |
|-----------------------|--|--|
| In VND | 10.00 - 10.55 | 8.05 - 12.05 |
| In foreign currencies | 0.75 - 5.02 | 0.75 - 6.38 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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19. DUE TO CUSTOMERS

19.1 Analysis by type of deposits

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|--|--------------------------------------|---|
| Demand deposits | 9,760,047 | 9,997,385 |
| Demand deposits in VND | 9,509,604 | 9,602,907 |
| Demand deposits in foreign currencies | 211,925 | 364,457 |
| Demand savings deposits in VND | 37,851 | 29,385 |
| Demand savings deposits in foreign currencies | 667 | 636 |
| Term deposits | 147,840,718 | 134,373,843 |
| Term deposits in VND | 30,157,878 | 29,055,149 |
| Term deposits in foreign currencies | 209,912 | 102,060 |
| Term savings deposits in VND | 116,904,420 | 104,511,347 |
| Term savings deposits in foreign currencies | 568,508 | 705,287 |
| Deposits for specific purposes | 497,745 | 769,691 |
| Deposits for specific purposes in VND | 497,722 | 767,715 |
| Deposits for specific purposes in foreign currencies | 23 | 1,976 |
| Margin deposits | 235,493 | 288,026 |
| Margin deposits in VND | 235,493 | 288,026 |
| | 158,334,003 | 145,428,945 |

The annual interest rates applicable to due to customers are as follows:

| | <i>31 December 2024</i> % p.a. | <i>31 December 2023</i> % p.a. |
|--|-----------------------------------|-----------------------------------|
| Demand deposits in VND | 0.00 - 0.50 | 0.00 - 0.50 |
| Demand savings deposits in VND | 0.50 | 0.50 |
| Demand deposits in foreign currencies | 0.00 | 0.00 |
| Demand savings deposits in foreign currencies | 0.00 | 0.00 |
| Term deposits in VND | 0.50 - 11.20 | 0.50 - 12.20 |
| Term savings deposits in VND | 0.50 - 12.00 | 0.50 - 13.10 |
| Term deposits in foreign currencies | 0.00 | 0.00 |
| Term savings deposits in foreign currencies | 0.00 | 0.00 |
| Deposits for specific purposes in VND | 0.20 - 0.50 | 0.20 - 1.00 |
| Deposits for specific purposes in foreign currencies | 0.00 | 0.00 |
| Margin deposits in VND | 0.20 - 8.70 | 0.00 - 10.00 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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19. DUE TO CUSTOMERS (continued)

19.2 Analysis by customers and type of business

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|---|---|--|
| Due to economic entities | 32,956,759 | 33,231,409 |
| Other joint stock companies | 14,023,480 | 15,498,078 |
| Other limited companies | 9,807,685 | 6,631,774 |
| One-member limited liability companies of which 100% charter capital is held by the State | 3,624,026 | 4,156,586 |
| Public administrative units, agencies of the Communist Party, unions, and associations | 3,570,633 | 4,132,212 |
| State-owned companies | 895,729 | 1,085,544 |
| Joint-foreign-invested enterprises | 426,496 | 616,924 |
| Partnership | 21,170 | 40,509 |
| Private companies | 284,840 | 40,197 |
| Cooperatives and inter-cooperatives | 34,914 | 26,160 |
| The joint stock company of which over 50% of share capital or the total voting share capital is held or coordinated by the State under the company's charter | 267,786 | 1,003,425 |
| Due to individuals | 123,735,973 | 110,553,797 |
| Others | 1,641,271 | 1,643,739 |
| | 158,334,003 | 145,428,945 |

20. GRANTS, ENTRUSTED FUNDS AND LOANS EXPOSED TO RISKS

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|---------------------------|---|--|
| In VND | 797 | 1,665 |
| In foreign currencies (i) | 1,075,377 | 1,064,800 |
| | 1,076,174 | 1,066,465 |

(i) This is a part of entrusted funds in USD that are used to finance projects with purposes in compliance with the agreement.

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21. VALUABLE PAPERS ISSUED

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|--|---|--|
| Certificate of deposits less than 1 year | 4,000,000 | 5,600,000 |
| Certificate of deposits over 1 year | 12,046,940 | 9,148,868 |
| Bonds having term over 1 year | 3,960,000 | 3,710,000 |
| | 20,006,940 | 18,458,868 |

The annual interest rates applicable to valuable papers issued are as follows:

| | <i>31 December 2024</i> <i>% p.a.</i> | <i>31 December 2023</i> <i>% p.a.</i> |
|--|--|--|
| Certificate of deposits less than 1 year | 3.50 - 5.80 | 4.90 - 9.50 |
| Certificate of deposits over 1 year | 5.84 - 8.00 | 5.20 - 11.70 |
| Bonds having term over 1 year | 5.30 - 7.80 | 4.40 - 9.70 |

22. OTHER LIABILITIES

22.1 Interest and fee payables

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|-------------------------------------|---|--|
| Interest on saving deposits | 2,241,542 | 2,913,772 |
| Interest on deposits | 628,963 | 676,464 |
| Interest on valuable papers | 504,535 | 662,245 |
| Interest on grants, entrusted funds | 12,097 | 7,479 |
| Interest on borrowings | 7,850 | 16,675 |
| Interest on swap contracts | 621 | 6,130 |
| Interest on forward contracts | - | 8 |
| | 3,395,608 | 4,282,773 |

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22. OTHER LIABILITIES (continued)

22.2 Other liabilities

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|---|--------------------------------------|---|
| Internal payables | 493,128 | 325,463 |
| Payables to employees | 386,240 | 271,985 |
| Bonus and welfare fund (i) | 106,888 | 53,478 |
| External payables | 753,903 | 1,069,914 |
| Payables to fast remittance transaction | 299,180 | 580,478 |
| Taxes and other payables to the State Budget | 289,779 | 366,965 |
| Payments pending in payment operations | 75,896 | 26,174 |
| Payables related to card payment services | 50,118 | 43,674 |
| Cash held in trust and waiting for settlement | 15,367 | 17,472 |
| Others | 23,563 | 35,151 |
| | 1,247,031 | 1,395,377 |

(i) The movement of the bonus and welfare fund during the year is as follows:

| | <i>Current year</i> VND million | <i>Previous year</i> VND million |
|-----------------------------|------------------------------------|-------------------------------------|
| Beginning balance | 53,478 | 26,145 |
| Appropriation in the year | 60,000 | 29,607 |
| Utilization during the year | (6,590) | (2,274) |
| Ending balance | 106,888 | 53,478 |

23. STATUTORY OBLIGATIONS

| | <i>31 December</i> 2023 VND million | <i>Movement during the year</i> | | <i>31 December</i> 2024 VND million |
|----------------------|---|---------------------------------|----------------------------|---|
| | | <i>Payables</i> VND million | <i>Paid</i> VND million | |
| Value added tax | 69,135 | 83,368 | (148,315) | 4,188 |
| Corporate income tax | 269,095 | 938,305 | (950,901) | 256,499 |
| Other taxes | 28,735 | 178,479 | (178,140) | 29,074 |
| Personal income tax | 25,646 | 163,590 | (163,603) | 25,633 |
| Withholding tax | 3,089 | 14,742 | (14,390) | 3,441 |
| License tax | - | 147 | (147) | - |
| Others | - | 16,152 | (16,134) | 18 |
| | 366,965 | 1,216,304 | (1,293,490) | 289,779 |

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23. STATUTORY OBLIGATIONS (continued)

23.1 Current corporate income tax

The Bank and its subsidiary have the obligations to pay corporate income tax ("CIT") at a rate of 20% of taxable profits for the current year (previous year: 20%).

The tax returns of the Bank and its subsidiary are subject to examination by the taxation authorities. Since the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the taxation authorities.

The current tax payable is based on taxable profit for the current year. Taxable income differs from profit as reported in the consolidated income statement because it excludes taxable income or deductible expenses from prior years due to differences between the Bank and its subsidiary's accounting policies and the current income tax policies. It also excludes non-taxable income or non-deductible expenses. The current CIT payables are calculated based on the statutory tax rates applicable at the end of the year.

The calculation of current CIT during the year is as follows:

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|--|---|--|
| Profit before tax | 4,545,398 | 3,303,952 |
| At applicable CIT tax rate of 20% | 909,080 | 660,790 |
| <i>Adjustments to decrease</i> | | |
| - Income from untaxable dividends | (6) | (8) |
| <i>Adjustments to increase:</i> | | |
| - Non-deductible expenses | 20,510 | 21,551 |
| - Adjustment CIT for previous years | 8,721 | - |
| Estimated CIT expenses for the year | 938,305 | 682,333 |

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24. OWNERS' EQUITY

The movement of the equity is presented below:

| | Charter capital VND million | Share premium VND million | Others VND million | Fund for capital expenditure VND million | Reserves of credit institutions VND million | Retained earnings VND million | Total VND million |
|---|--------------------------------|------------------------------|-----------------------|--|--|-------------------------------------|----------------------|
| 31 December 2023 | 10,580,416 | 415 | 25 | 10 | 1,447,731 | 3,213,195 | 15,241,792 |
| Increase in the year | 3,145,090 | - | - | - | - | (2,645,090) | 500,000 |
| Decrease in the year | - | (352) | - | - | - | - | (352) |
| Net profit for the year | - | - | - | - | - | 3,607,093 | 3,607,093 |
| Appropriation to reserves | - | - | - | - | 726,661 | (726,661) | - |
| Appropriation to bonus and welfare funds | - | - | - | - | - | (60,000) | (60,000) |
| 31 December 2024 | 13,725,506 | 63 | 25 | 10 | 2,174,392 | 3,388,537 | 19,288,533 |

During the year, the Bank made the bonus and welfare fund according to the approval of the profit distribution plan for 2023 on 22 March 2024.

For the fiscal year ending 31 December 2024, the Bank has issued additional: (i) 264,508,938 shares to increase its capital from the owner's equity source and (ii) 50,000,000 shares to raise capital from the issuance of shares under the employee stock ownership plan (ESOP) according to the Resolution of the Annual General Meeting of Shareholders in 2024. Accordingly, the Bank has recorded an increase in charter capital of an additional 3,145,089,380,000 VND, from 10,580,416,150,000 VND to 13,725,505,530,000 VND

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24. OWNER'S EQUITY (continued)

The movement of the Bank and its subsidiary's reserves during the year are presented below:

| Items | Financial reserve VND million | Capital supplementary reserve VND million | Other reserve VND million | Total VND million |
|---------------------------|-------------------------------------|--|------------------------------|----------------------|
| 31 December 2023 | 956,706 | 479,086 | 11,939 | 1,447,731 |
| Appropriation to reserves | 360,709 | 360,709 | 5,243 | 726,661 |
| 31 December 2024 | 1,317,415 | 839,795 | 17,182 | 2,174,392 |

Details of the Bank and its subsidiary 's shares are as follows:

| | 31 December 2024 Shares | 31 December 2023 Shares |
|---|----------------------------|----------------------------|
| Number of registered shares | 1,372,550,553 | 1,058,041,615 |
| Number of shares issued - Ordinary shares | 1,372,550,553 | 1,058,041,615 |
| Number of outstanding shares - Ordinary shares | 1,372,550,553 | 1,058,041,615 |

25. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit after tax for the year attributable to ordinary shareholders of the Bank and its subsidiary (after adjustments for the appropriation of bonus and welfare funds) by the weighted average number of ordinary shares outstanding during the year.

The net profit after tax used to calculate basic earnings per share Previous year has been adjusted to reflect the actual allocation of the bonus and welfare fund for the year 2023, in accordance with the resolution of the General Meeting of Shareholders on 29 March 2024.

The information for basic earnings per share calculation of the Bank and its subsidiary is as follows:

| | Current year VND million | Previous year VND million |
|---|-----------------------------|------------------------------|
| Net profit attributable to ordinary shareholders of the Bank and its subsidiary (VND million) | 3,607,093 | 2,621,619 |
| Adjustment for appropriation to bonus and welfare funds (VND million) | - | (60,000) |
| Net profit attributable to ordinary shareholders for basic earnings per share calculation (VND million) | 3,607,093 | 2,561,619 |
| Weighted average number of outstanding ordinary shares (shares) | 1,334,845,635 | 1,322,550,553 |
| Basic earnings per share (VND/share) | 2,702 | 1,937 |

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26. INTEREST AND SIMILAR INCOME

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|---|---|--|
| Interest income from loans | 15,437,773 | 17,246,142 |
| Interest income from investing securities | 1,120,944 | 1,075,430 |
| Interest income from deposit | 618,024 | 616,668 |
| Interest income from guarantee services | 103,145 | 104,547 |
| Interest income from credit activities | 131,821 | 295,553 |
| | 17,411,707 | 19,338,340 |

27. INTEREST AND SIMILAR EXPENSE

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|--------------------------------------|---|--|
| Interest expense on deposits | 7,886,396 | 11,306,927 |
| Interest expense on valuable papers | 1,326,634 | 1,094,283 |
| Interest expense on borrowings | 214,617 | 213,260 |
| Interest expense on finance lease | 5,883 | 7,298 |
| Expenses for other credit activities | 40,357 | 69,263 |
| | 9,473,887 | 12,691,031 |

28. NET FEE AND COMMISSION INCOME

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|------------------------------------|---|--|
| Fee and commission income | 951,804 | 1,141,500 |
| Settlement services | 621,452 | 717,001 |
| Account services | 204,242 | 186,388 |
| Asset preservation services | 3,767 | 39,536 |
| Property rental services | 43,251 | 37,370 |
| Consulting services | 10,536 | 31,123 |
| Insurance agency fees | 3,340 | 12,967 |
| Treasury services | 2,583 | 3,124 |
| Others | 62,633 | 113,991 |
| Fee and commission expenses | (390,838) | (551,469) |
| Settlement services | (372,541) | (536,510) |
| Treasury service | (3,571) | (3,507) |
| Consulting services | (4,981) | (7,185) |
| Others | (9,745) | (4,267) |
| | 560,966 | 590,031 |

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29. NET GAIN FROM TRADING OF FOREIGN CURRENCIES

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|--|---|--|
| Income from trading of foreign currencies | 156,345 | 271,855 |
| Income from spot foreign exchange trading | 126,095 | 207,706 |
| Income from currency derivatives | 29,875 | 63,763 |
| Income from gold trading | 375 | 386 |
| Expense for trading of foreign currencies | (153,538) | (257,248) |
| Expense for spot foreign exchange trading | (125,102) | (87,285) |
| Expense for currency derivatives | (28,328) | (169,666) |
| Expense for gold trading | (108) | (297) |
| | 2,807 | 14,607 |

30. NET GAIN FROM TRADING SECURITIES

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|---|---|--|
| Income from trading of trading securities | 864 | - |

31. NET GAIN FROM INVESTMENT SECURITIES

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|--|---|--|
| Income from trading of investment securities | 120,898 | 70,892 |
| Expense from trading of investment securities | (1,162) | (42,385) |
| Reversed provision for available-for-sale securities | 4,051 | 30,780 |
| | 123,787 | 59,287 |

32. NET GAIN FROM OTHER OPERATING ACTIVITIES

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|--|---|--|
| Other operating income | 467,824 | 499,520 |
| Income from recovery of loans previously written-off | 465,822 | 496,895 |
| Net income from disposals of fixed assets | 1,191 | 1,158 |
| Other income | 811 | 1,467 |
| Other operating expense | (42,027) | (166,581) |
| Contract termination expense | - | (89,000) |
| Value-added tax late payment expense | - | (64,701) |
| Sponsoring expense | (24,603) | (9,068) |
| Other expenses | (17,424) | (3,812) |
| | 425,797 | 332,939 |

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33. NET GAIN FROM INVESTMENT IN OTHER ENTITIES

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|-------------------|---|--|
| Equity investment | 22 | 38 |

34. OPERATING EXPENSES

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|---|---|--|
| Personnel expenses | 2,103,964 | 1,888,273 |
| - Salary and allowances | 1,865,606 | 1,706,557 |
| - Salary-related allowances | 120,451 | 112,269 |
| - Allowances and others | 117,907 | 69,447 |
| Depreciation expenses on fixed assets | 175,048 | 145,802 |
| Other operating expense | 1,706,751 | 1,458,380 |
| - General management expense | 429,423 | 366,073 |
| - Advertising, marketing, promotion, and entertainment | 361,929 | 298,162 |
| - Office rental | 324,974 | 283,711 |
| - Insurance expenses for customer deposits | 189,245 | 174,845 |
| - Repair and maintenance assets | 181,494 | 165,893 |
| - Other assets expenses | 43,118 | 45,312 |
| - Printing materials expenses | 37,082 | 41,120 |
| - Business trips expenses | 24,727 | 19,426 |
| - Union expenses | 3,107 | 43,535 |
| - Reversed provision for expenses (excluding provisions for credit losses and investment) | 91,754 | 6,126 |
| - Other expenses | 19,898 | 14,177 |
| | 3,985,763 | 3,492,455 |

35. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flows statement comprise the following balances in the consolidated statement of financial position:

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|--|---|--|
| Cash and gold | 1,148,489 | 1,132,969 |
| Balances with the SBV | 13,632,932 | 16,268,047 |
| Due from and loans to other credit institutions with terms of less than 3 months | 36,519,898 | 20,801,417 |
| | 51,301,319 | 38,202,433 |

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36. EMPLOYEES' INCOME

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|---|---|--|
| I. Total number of employees (persons) | 5,298 | 5,128 |
| II. Employees' income (VND million) | | |
| 1. Total salary | 1,865,606 | 1,706,557 |
| 2. Bonus | 6,550 | 1,090 |
| 3. Total income (1+2) | 1,872,156 | 1,707,647 |
| 4. Average monthly salary (VND million/person) | 29 | 28 |
| 5. Average monthly income (VND million/person) | 29 | 28 |

37. TYPES AND BOOK VALUE OF COLLATERALS

37.1 *Assets and valuable papers, mortgaged, pledged and discounted, re-discounted*

The types and book value of customers' collaterals at the year-end are as follows:

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|------------------------|---|--|
| Real estate properties | 147,796,484 | 146,305,613 |
| Valuable papers | 60,630,860 | 67,691,303 |
| Movable assets | 4,114,804 | 4,331,319 |
| Other assets | 81,085,862 | 64,549,919 |
| | 293,628,010 | 282,878,154 |

37.2 *Assets and valuable papers of the Bank mortgaged, pledged and discounted, re-discounted*

The breakdown of financial assets mortgaged, pledged by the Bank and its subsidiary for credit granting activities with the SBV, as well as those discounted, borrowed against, or transferred under purchase and repurchase agreements with SBV and other credit institutions, is as follows:

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|-----------------|---|--|
| Valuable papers | 2,510,000 | 7,379,000 |

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38. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of business, the Bank and its subsidiary are parties to financial instruments that are recorded as off-statement of financial position items. These financial instruments mainly comprise foreign exchange commitments, guarantee commitments, and commercial letters of credit. These instruments involve elements of credit risk for the Bank and its subsidiary, which are not reflected out of the items recognized in the consolidated statement of financial position.

Credit risk for off-statement of financial position financial instruments is defined as the possibility of sustaining a loss for the Bank and its subsidiary because any other party to a financial instrument fails to perform in accordance with the terms of the contract.

Financial guarantees are conditional commitments issued by the Bank and its subsidiary to guarantee the performance of a customer to a third-party. This includes guarantees for borrowings, settlement, performing contracts and bidding. The credit risk involved in issuing guarantees is essentially the same as that involved in extending loans to other customers.

Deferred payment letters of credits represent the amounts at risk should the contract be fully performed but the client defaults in repayment to the beneficiary. Deferred payment letters of credit that defaulted by clients are recognized by the Bank and its subsidiary as granting of a compulsory loan with a corresponding liability representing the financial obligation of the Bank and its subsidiary to pay the beneficiaries and to fulfil the guarantor obligation.

The Bank and its subsidiary require margin deposits to support credit-related financial instruments when it is deemed necessary. The margin deposit required varies from nil to 100% of the value of a granted commitment, depending on the creditworthiness of clients as assessed by the Bank and its subsidiary.

The currency trading commitments include commitments to purchase, sell at spot and currency swap commitments. Commitments to purchase or, sell at spot are commitments to purchase, or, sell currency at the dealt exchange rate and make payment within 2 (two) days since transaction date. Currency swap commitments involve purchasing and selling with the same notional principal amount (using only two currencies) to one client. This includes one transaction for term payment at spot and one transaction for term payment in the future with the exchange rate of both transactions determined at spot transaction date.

Details of outstanding commitments and contingent liabilities at the year-end are as follows:

| | <i>Ending balance</i> VND million | <i>Beginning balance</i> VND million |
|---|--------------------------------------|---|
| Loan guarantees | 3,658,967 | - |
| Foreign exchange commitments | 8,075,790 | 14,694,595 |
| - <i>Commitments on currency swap transaction</i> | <i>8,075,790</i> | <i>12,105,195</i> |
| - <i>Spot foreign exchange commitments - buy</i> | - | <i>2,420,000</i> |
| - <i>Spot foreign exchange commitments - sell</i> | - | <i>169,400</i> |
| Letters of credit | 549,881 | 6,116,593 |
| - <i>Deferred letters of credit</i> | <i>549,881</i> | <i>6,116,593</i> |
| Other guarantees | 3,669,698 | 9,884,653 |
| - <i>Settlement guarantee</i> | <i>620,517</i> | <i>684,543</i> |
| - <i>Contract performance guarantee</i> | <i>190,387</i> | <i>231,470</i> |
| - <i>Bid guarantee</i> | <i>13,858</i> | <i>8,752</i> |
| - <i>Other guarantees</i> | <i>2,844,936</i> | <i>8,959,888</i> |
| Other commitments | 149,669 | - |
| | 16,104,005 | 30,695,841 |
| Less: Margin deposits | <i>(13,448)</i> | <i>(38,910)</i> |
| Contingent liabilities and commitments | 16,090,557 | 30,656,931 |

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39. INTEREST AND FEE RECEIVABLE BUT NOT YET COLLECTED

Details of outstanding interest and fee receivable but not yet collected at the year-end are as follows:

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|--------------------------------|---|--|
| Interest but not yet collected | 2,312,141 | 2,019,149 |

40. WRITTEN-OFF DEBTS

Details of outstanding written-off debts at the year-end are as follows:

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|------------------------------------|---|--|
| Written-off debts under monitoring | 2,507,578 | 2,673,642 |
| <i>Principal</i> | 1,279,537 | 1,735,034 |
| <i>Interest</i> | 1,228,041 | 938,608 |
| Others | 605 | 605 |
| | 2,508,183 | 2,674,247 |

41. ASSETS AND OTHER DOCUMENTS

Details of outstanding assets and other documents at the year-end are as follows:

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|--|---|--|
| Other assets kept for customers | 3,350,780 | 2,188,093 |
| Collateral assets received as a substitute for the fulfillment of obligations by the guarantor, pending resolution | 24,662 | 13,702 |
| Other valuable documents under safekeeping | 6,748,430 | 9,268,736 |
| | 10,123,872 | 11,470,531 |

42. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other entities to which the Bank and its subsidiary are related. Parties are considered as related parties if one party is able to control over or significantly influence to the other party in making decision of financial and operational policies. A party is deemed to be related to the Bank and its subsidiary if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
- ▶ controls, is controlled by, or is under common control with the Bank and its subsidiary (including parents and subsidiary);
 - ▶ has an interest (owing 5% or more of the charter capital or voting share capital) in the Bank and its subsidiary that gives it significant influence over the Bank and its subsidiary;
 - ▶ has joint control over the Bank and its subsidiary;

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42. RELATED PARTY TRANSACTIONS (continued)

- (b) The party is a joint venture in which the Bank and its subsidiary are ventures (owning over 11% of the charter capital or voting share capital but is not a subsidiary of the Bank);
- (c) The party is a member of the key management personnel of the Bank and its subsidiary;
- (d) The party is a close member of the family of any person referred to in (a) or (c); or
- (e) The party is an entity that is controlled, jointly controlled, or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any person referred to in (c) or (d).

Remuneration for members of the Board of Directors, Board of Supervision, Board of Management of the Bank, and related parties to these individuals.

| | <u>Current year</u> VND million |
|---|-------------------------------------|
| Salary and allowances of the Board of Managements | 34,630 |
| <i>In which:</i> | |
| - Mr. Tran Khai Hoan (from 30 March 2024) | 2,104 |
| - Mr. Tran Ngoc Tam (to 29 March 2024) | 3,956 |
| - Other members | 28,570 |
| Remuneration for members of the Board of Directors | 17,364 |
| <i>In which:</i> | |
| - Mr. Tran Ngo Phuc Vu | 4,864 |
| - Mr. Tran Ngoc Tam | 3,498 |
| - Ms. Vo Thi Tuyet Nga | 4,139 |
| - Mr. Tran Khai Hoan (from 29 March 2024) | 513 |
| - Mr. Nguyen Duc Minh Tri | 2,900 |
| - Ms. Nguyen Thi Thanh Dao | 725 |
| - Ms. Le Thi Kim Anh | 725 |
| Remuneration for members of the Board of Supervision | 4,205 |
| | <u>Previous year</u> VND million |
| Salary and allowances of the Board of Managements | 34,091 |
| <i>In which:</i> | |
| - Mr. Tran Ngoc Tam | 7,035 |
| - Other members | 27,056 |
| Remuneration for members of the Board of Directors | 11,700 |
| <i>In which:</i> | |
| - Mr. Tran Ngo Phuc Vu | 3,900 |
| - Mr. Tran Ngoc Tam | 650 |
| - Ms. Vo Thi Tuyet Nga | 3,250 |
| - Mr. Nguyen Duc Minh Tri | 2,600 |
| - Ms. Nguyen Thi Thanh Dao | 650 |
| - Ms. Le Thi Kim Anh | 650 |
| Remuneration for members of the Board of Supervision | 3,770 |

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42. RELATED PARTY TRANSACTIONS (continued)

Significant transactions with related parties in the current year are as follows:

(a) Member of Board of Directors, Board of Supervision and Board of Managements

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|------------------------------|---|--|
| Loan interest income | - | 527 |
| Interest expense on deposits | (620) | (563) |

(b) Other related parties (*)

| | <i>Current year</i> <i>VND million</i> | <i>Previous year</i> <i>VND million</i> |
|------------------------------|---|--|
| Loan interest income | 3,675 | 4,680 |
| Interest expense on deposits | (4,173) | (5,971) |
| Income from other activities | 104 | - |
| Expense for other activities | (233) | - |

(*) Other related parties include those associated with the Bank's Member of Board of Directors, Board of Supervisors and Board of Managements, businesses in which these individuals hold, directly or indirectly, a substantial portion of the voting rights or through which they can exercise significant influence over the Bank.

Receivables and payables with related parties at the year-end are as follow:

| <i>Related party</i> | <i>Transactions</i> | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|---|--|---|--|
| Member of Board of Directors, Board of Supervision and Board of Managements | Deposits | (38,386) | (29,224) |
| | Loans | - | 16 |
| | Accrual interest expense from deposits | (154) | (148) |
| Other related parties | Deposits | (66,429) | (51,520) |
| | Loans | 59,214 | 49,851 |
| | Accrual interest expense from deposits | (1,053) | (1,453) |
| | Accrual interest income from loans | 251 | 276 |

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43. CONCENTRATION OF ASSETS, LIABILITIES AND OFF CONSOLIDATED STATEMENT OF FINANCIAL POSITION ITEMS BY GEOGRAPHICAL REGIONS

| | <i>Domestic VND million</i> | <i>Overseas VND million</i> | <i>Total VND million</i> |
|---|---------------------------------|---------------------------------|------------------------------|
| Assets at 31 December 2024 | 225,359,910 | 268,532 | 225,628,442 |
| Due from and loans to other credit institutions | 36,541,251 | 268,532 | 36,809,783 |
| Loans to customers - gross | 167,737,997 | - | 167,737,997 |
| Investment securities - gross | 20,856,651 | - | 20,856,651 |
| Long-term investments - gross | 224,011 | - | 224,011 |
| Liabilities at 31 December 2024 | 221,340,550 | 1,391,664 | 222,732,214 |
| Due to and borrowings from other credit institutions | 38,880,028 | 316,287 | 39,196,315 |
| Due to customers | 158,334,003 | - | 158,334,003 |
| Derivatives and other financial liabilities (Total transaction value amount to contract) | 4,118,782 | - | 4,118,782 |
| Grants, entrusted funds, and loans exposed to risks | 797 | 1,075,377 | 1,076,174 |
| Valuable papers issued | 20,006,940 | - | 20,006,940 |
| Off consolidated statement of financial position commitments at 31 December 2024 | 16,090,557 | - | 16,090,557 |

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44. INFORMATION BY GEOGRAPHICAL REGIONS

The information on income and expenses of each segment by geographical area of the Bank and its subsidiary as at 31 December 2024 and for the year then ended as follows:

| | Northern VND million | Central VND million | South VND million | Total segment reported VND million | Eliminations VND million | Total VND million |
|--|-------------------------|------------------------|----------------------|--|-----------------------------|----------------------|
| Income | 3,202,202 | 3,237,875 | 36,709,956 | 43,150,033 | (24,038,321) | 19,111,712 |
| Interest income | 3,138,713 | 3,112,516 | 35,198,799 | 41,450,028 | (24,038,321) | 17,411,707 |
| Fee and commission income | 24,584 | 109,657 | 817,563 | 951,804 | - | 951,804 |
| Other operation income | 38,905 | 15,702 | 693,594 | 748,201 | - | 748,201 |
| Expense | (2,789,879) | (2,767,664) | (32,526,190) | (38,083,733) | 24,038,321 | (14,045,412) |
| Interest expense | (2,360,819) | (2,275,237) | (28,876,152) | (33,512,208) | 24,038,321 | (9,473,887) |
| Depreciation expense | (15,970) | (20,937) | (138,141) | (175,048) | - | (175,048) |
| Expense directly related to operation activities | (413,090) | (471,490) | (3,511,897) | (4,396,477) | - | (4,396,477) |
| Net operating profit before provision for credit losses | 412,323 | 470,211 | 4,183,766 | 5,066,300 | - | 5,066,300 |
| Charged provision for credit losses | (3,873) | (12,916) | (504,113) | (520,902) | - | (520,902) |
| Profit before tax | 408,450 | 457,295 | 3,679,653 | 4,545,398 | - | 4,545,398 |

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44. INFORMATION BY GEOGRAPHICAL REGIONS (continued)

Information on asset and liability of each segment by geographical area of the Bank and its subsidiary as at 31 December 2024 and for the year then ended as follows:

| | Northern VND million | Central VND million | South VND million | Total segment reported VND million | Eliminations VND million | Total VND million |
|--|-------------------------|------------------------|----------------------|--|-----------------------------|----------------------|
| ASSETS | | | | | | |
| Cash and gold | 147,512 | 234,616 | 766,361 | 1,148,489 | - | 1,148,489 |
| Balances with the SBV | 1,173 | 410 | 13,631,349 | 13,632,932 | - | 13,632,932 |
| Due from and loans to other credit institutions | 78 | 602 | 36,809,103 | 36,809,783 | - | 36,809,783 |
| Loans to customers | 3,338,041 | 11,511,739 | 150,823,110 | 165,672,890 | - | 165,672,890 |
| Investment securities | - | - | 20,841,857 | 20,841,857 | - | 20,841,857 |
| Long-term investments | - | - | 142,759 | 142,759 | - | 142,759 |
| Fixed assets | 54,087 | 144,128 | 1,989,893 | 2,188,108 | - | 2,188,108 |
| Investment properties | - | 30,439 | - | 30,439 | - | 30,439 |
| Other assets | 148,902 | 210,449 | 4,302,375 | 4,661,726 | - | 4,661,726 |
| TOTAL ASSETS | 3,689,793 | 12,132,383 | 229,306,807 | 245,128,983 | - | 245,128,983 |
| LIABILITIES | | | | | | |
| Borrowings from the Government and the SBV | - | - | 2,577,611 | 2,577,611 | - | 2,577,611 |
| Due to and borrowings from other credit institutions | 25 | 4,017 | 39,192,273 | 39,196,315 | - | 39,196,315 |
| Due to customers | 37,942,899 | 24,235,957 | 96,155,147 | 158,334,003 | - | 158,334,003 |
| Derivatives and other financial liabilities | - | - | 6,768 | 6,768 | - | 6,768 |
| Grants, entrusted funds, and loans exposed to risks | - | - | 1,076,174 | 1,076,174 | - | 1,076,174 |
| Valuable papers issued | 2,332,615 | 3,055,310 | 14,619,015 | 20,006,940 | - | 20,006,940 |
| Other liabilities | 862,515 | 519,266 | 3,260,858 | 4,642,639 | - | 4,642,639 |
| TOTAL LIABILITIES | 41,138,054 | 27,814,550 | 156,887,846 | 225,840,450 | - | 225,840,450 |

45. FINANCIAL RISK MANAGEMENT

Risk is inherent in the activities of the Bank and its subsidiary and is managed through an ongoing process of identification, measurement, and monitoring, subject to risk limits and other controls. This risk management process is critical to the continuing profitability of the Bank and its subsidiary, and each individual within the Bank and its subsidiary is accountable for risk prevention within their respective responsibilities. The Bank and its subsidiary are exposed to credit risk, liquidity risk, and market risk (which further subdivided into trading and non-trading risks). The Bank and its subsidiary are also subject to various operational risks.

The independent risk control process does not include business risks such as changes in the environment, technology, and industry. The Bank and its subsidiary's policy is to monitor those business risks through their strategic planning process.

(i) Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks. However, each individual member is responsible for managing and monitoring risks.

(ii) Board of Directors

The Board of Directors is responsible for monitoring the overall risk management process within the Bank and its subsidiary.

(iii) Risk Management Committee

The Risk Management Committee advises the Board of Directors in the promulgation of procedures and policies under its jurisdiction relating to risk management in the Bank and its subsidiary's activities.

The Risk Management Committee analyses and provides warnings on potential risks that may affect the Bank and its subsidiary's operation, along with preventive measures in the short term as well as long term.

The Risk Management Committee reviews and evaluates the appropriateness and effectiveness of the risk management of procedures and policies of the Bank and its subsidiary, making recommendations to the Board of Directors for the improvement of procedures, policies, and operational strategies.

(iv) Board of Supervision

The Board of Supervision has the responsibility to control the overall risk management process within the Bank and its subsidiary.

(v) Internal Audit

According to the annual internal audit plan, business processes throughout the Bank and its subsidiary are audited annually by the internal audit function. This function examines both the adequacy of the procedures and compliance with the Bank and its subsidiary's procedures. Internal Audit discusses the results of all assessments with the Board of Directors and reports its findings and recommendations to the Board of Supervision.

(vi) Risk measurement and reporting systems

The Bank and its subsidiary risks using a method that considers both the expected loss likely to arise in normal circumstances and unexpected losses, which are estimated based on statistical models and represent the ultimate actual loss.

Monitoring and controlling of risks are primarily performed based on limits established by the Bank and its subsidiary in compliance with the regulations of the State Bank of Vietnam. These limits reflect the business strategy, market environment, and the level of risk tolerance of the Bank and its subsidiary.

45. FINANCIAL RISK MANAGEMENT (continued)

(vi) Risk measurement and reporting systems (continued)

Information compiled from all business activities is examined and processed to analyze, control and identify risks at an early age. This information is presented and explained to the Board of Management, Board of Directors, and department heads. The report includes aggregate credit exposure, credit metric forecasts, limit exceptions, liquidity ratios and changes in risk profile. The Board of Directors assesses the appropriateness of the allowance for credit losses on a quarterly basis. Additionally, the Board of Directors receives a comprehensive risk report quarterly which is designed to provide all necessary information for assessing and conclude on the risks of the Bank and its subsidiary.

Tailored risk reports are prepared and distributed to all levels throughout the Bank and its subsidiary, ensuring that all business departments have access to extensive, necessary and up-to-date information.

(vii) Risk reduction

The Bank and its subsidiary have actively used collateral to mitigate credit risk.

(viii) Excessive risk concentration

Concentrations arise when a number of counterparties of the Bank and its subsidiary are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would affect the group of customers' payment obligations or payment receipt rights when due under changes in economic, political or other conditions.

These above concentrations indicate the relative sensitivity of the Bank and its subsidiary's performance to the developments of a particular industry or geographic allocation.

To avoid excessive concentrations of risk, the Bank and its subsidiary's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Selective hedging is used within the Bank and its subsidiary in respect of the industries and other related factors.

46. CREDIT RISK

Credit risk is the risk that the Bank may experience losses due to customers or counterparties failing to fulfill their contractual obligations.

The Bank and its subsidiary manage and controls credit risk by setting limits on the acceptable level of risk for individual counterparties, geographical areas, and industry concentrations. They also monitor exposures in relation to such limits.

The Bank and its subsidiary have established a credit quality review process to provide early identification of potential changes in the financial position and creditworthiness of counterparties using both qualitative and quantitative indicators. Counterparty limits are determined through the use of a credit rating system, which assigns a risk rating to each counterparty. These risk ratings are subject to regular revisions.

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46. CREDIT RISK (continued)

46.1 Maximum exposure to credit risk before collateral held or other credit enhancements

The maximum exposures to credit risk, which are equivalent to the book values of each group of financial assets on the consolidated financial statement, are listed below:

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|--|---|--|
| Credit risk exposures of on-consolidated statement of financial position items | | |
| Due from and loans to other credit institutions | 36,809,783 | 22,591,302 |
| Derivatives and other financial assets | - | 39,455 |
| Loans to customers | | |
| - Individuals | 29,410,543 | 28,125,006 |
| - Corporates | 138,327,454 | 113,313,435 |
| Investment securities | | |
| - Debt securities - available-for-sale | 7,290,000 | 9,882,574 |
| - Debt securities - held-to-maturity | 1,900,000 | 999,201 |
| Other financial assets | 3,740,969 | 3,249,425 |
| Credit risk exposures of off-consolidated statement of financial position items | | |
| Financial guarantees | 7,328,665 | 9,884,653 |
| Letters of credit | 549,881 | 6,116,593 |

This table presents the worst case in which the Bank and its subsidiary will incur the maximum credit exposures as at 31 December 2024 and 31 December 2023, without considering any collateral held or their credit enhancements.

46.2 Financial assets neither past due nor impaired

The Bank and its subsidiary's financial assets which are neither past due nor impaired consist of loans to customers classified as Group 1 (Current) loans in accordance with Circular 31 and Decree 86; as well as securities, receivables and other financial assets that are not past due and do not require any provision according to Circular 48/2019/TT-BTC amended by Circular 24/2022/TT-BTC.

The Bank and its subsidiary determine that they have an absolute capacity to fully and timely recover these financial assets in the future.

46.3 Financial assets past due but not impaired

The age of financial assets past due but not impaired as at 31 December 2024 is presented below:

| | <i>Past due</i> | | | | <i>Total</i> <i>VND</i> <i>million</i> |
|--------------------|--|--|---|---|--|
| | <i>Less than</i> <i>90 days</i> <i>VND million</i> | <i>From 91 to</i> <i>180 days</i> <i>VND million</i> | <i>From 181 to</i> <i>360 days</i> <i>VND million</i> | <i>More than</i> <i>360 days</i> <i>VND million</i> | |
| Loans to customers | 1,246,489 | 32,644 | 171,339 | 495,551 | 1,946,023 |

Loans that are overdue but not impaired are considered overdue loans, but provisions are not required, as the Bank holds all collaterals in the form of counterparty deposits, real estate, movable assets, valuable papers, and other types of collaterals.

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47. MARKET RISK

47.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair values of financial instruments. The Bank and its subsidiary are exposed to interest rate risk due to mismatches in maturity dates or dates of interest rate repricing for assets, liabilities, and off-statement financial instruments over a certain period. To manage this risk, the Bank and its subsidiary employ risk management strategies to match the dates of interest rate repricing of assets and liabilities.

Analysis of assets and liabilities based on interest rate re-pricing date

The repricing term of the effective interest rate refers to the remaining period from the date of the consolidated financial statements to the nearest interest rate repricing date or remaining contractual term, whichever is earlier.

The following assumptions and conditions are used in analysis of the re-pricing period of interest rates for the Bank and its subsidiary's assets and liabilities:

- ▶ Cash and gold; balances with the SBV; investment securities - equity securities; derivatives financial instruments; long-term investments; other assets (including fixed assets and other assets); and other liabilities are classified as non-interest bearing items;
- ▶ The repricing term of investment securities - debt securities; loans to customers; due from and loans to other credit institutions; grants, entrusted funds and loans exposed to risks; borrowings from the Government and the SBV; valuable papers issued; due to and borrowings from other credit institutions and due to customers are determined as follows:
 - Items which bear fixed interest rate during the contractual term: The re-pricing term is determined based on the time to maturity from the consolidated statement of financial position date.
 - Items which bear floating interest rate: The re-pricing term is determined based on the time to the nearest interest rate re-pricing date from the consolidated statement of financial position date.

The following table presents the interest re-pricing period of the Bank and its subsidiary's assets and liabilities as at 31 December 2024:

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47. MARKET RISKS (continued)

47.1 Interest rate risk (continued)

| | Interest re-pricing period | | | | | | | Total VND million |
|---|----------------------------|--|---------------------------------|-----------------------------|-----------------------------|---------------------------------|----------------------------|----------------------|
| | Overdue VND million | Non-interest bearing VND million | Up to 1 month VND million | 1 - 3 months VND million | 3 - 6 months VND million | 6 - 12 months VND million | 1 - 5 years VND million | |
| Assets | | | | | | | | |
| Cash and gold | - | 1,148,489 | - | - | - | - | - | 1,148,489 |
| Balances with the SBV | - | 13,632,932 | - | - | - | - | - | 13,632,932 |
| Due from with and loans to other credit institutions | - | 289,885 | 34,219,898 | 2,300,000 | - | - | - | 36,809,783 |
| Loans to customers – gross | 6,378,611 | - | 19,308,026 | 32,338,436 | 32,484,412 | 53,623,288 | 23,424,581 | 167,737,997 |
| Investment securities - gross | - | 142,304 | 277,657 | 1,341,719 | 3,038,676 | 12,472,571 | 3,583,724 | 20,856,651 |
| Long-term investments - gross | - | 224,011 | - | - | - | - | - | 224,011 |
| Fixed assets | - | 2,188,108 | - | - | - | - | - | 2,188,108 |
| Investment properties | - | 30,439 | - | - | - | - | - | 30,439 |
| Other assets – gross | - | 4,700,902 | - | - | - | - | - | 4,700,902 |
| Total assets | 6,378,611 | 22,357,070 | 53,805,581 | 35,980,155 | 35,523,088 | 66,095,859 | 27,008,305 | 247,329,312 |
| Liabilities | | | | | | | | |
| Borrowings from the Government and the SBV | - | - | 2,577,611 | - | - | - | - | 2,577,611 |
| Due to and borrowings from other credit institutions | - | - | 36,653,244 | 2,010,494 | 279,497 | 253,080 | - | 39,196,315 |
| Due to customers | - | - | 44,556,313 | 38,159,630 | 42,908,770 | 30,328,018 | 2,381,272 | 158,334,003 |
| Derivatives and other financial liabilities | - | 6,768 | - | - | - | - | - | 6,768 |
| Grants, entrusted funds, and loans exposed to risks | - | - | 796 | 506,060 | 569,318 | - | - | 1,076,174 |
| Valuable papers issued | - | - | 309,690 | 1,244,280 | 6,857,400 | 11,595,570 | - | 20,006,940 |
| Other liabilities | - | 4,642,639 | - | - | - | - | - | 4,642,639 |
| Total liabilities | - | 4,649,407 | 84,097,654 | 41,920,464 | 50,614,985 | 42,176,668 | 2,381,272 | 225,840,450 |
| On-consolidated statement of financial position interest sensitivity gap | 6,378,611 | 17,707,663 | (30,292,073) | (5,940,309) | (15,091,897) | 23,919,191 | 24,627,033 | 21,488,862 |

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47. MARKET RISKS (continued)

47.1 Interest rate risk (continued)

Interest rate sensitivity

The Bank and its subsidiaries conducted an analysis of the sensitivity of net interest income to changes in market interest rates for VND and USD as of 31 December 2024, as follows:

| | <u>Assumed level of change</u> % | <u>Effects on profit after tax</u> VND million |
|-------------------------------|-------------------------------------|---|
| As at 31 December 2024 | | |
| VND | 0.02% | (7.3) |
| VND | (0.02%) | 7.3 |
| USD | 0.02% | (0.3) |
| USD | (0.02%) | 0.3 |

47.2 Currency risk

Currency risk is the risk of fluctuations in the value of financial instruments due to changes in foreign exchange rates.

The Bank and its subsidiary are incorporated and operate in Vietnam, with the VND as its reporting currency. The primary currency used for its transaction is also VND. Financial assets and liabilities of the Bank and its subsidiary are denominated in VND, with some also denominated in USD, EUR, and gold. To control currency positions, the Bank and its subsidiary have established limits. These positions are monitored on a daily basis, and hedging strategies are employed to ensure that the positions of the currencies remain within the established limits.

The exchange rates between key foreign currencies and VND at the reporting date are presented at *Note 51*.

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47. MARKET RISKS (continued)

47.2 Currency risk (continued)

The following table presents assets and liabilities in foreign currencies converted into VND as at 31 December 2024:

| | EUR equivalent VND million | USD equivalent VND million | Gold equivalent VND million | Other currencies equivalent VND million | Total VND million |
|--|-------------------------------|-------------------------------|--------------------------------|---|----------------------|
| Assets | | | | | |
| Cash and gold | 5,545 | 127,908 | 566 | 5,381 | 139,400 |
| Balances with the SBV | - | 69,591 | - | - | 69,591 |
| Due from and loans to other credit institutions | 4,137 | 870,985 | - | 60,051 | 935,173 |
| Loans to customers - gross | - | 1,598,326 | - | - | 1,598,326 |
| Other assets - gross | - | 55,205 | - | - | 55,205 |
| Total assets | 9,682 | 2,722,015 | 566 | 65,432 | 2,797,695 |
| Liabilities | | | | | |
| Due to and borrowings from other credit institutions | - | 2,568,987 | - | - | 2,568,987 |
| Due to customers | 6,359 | 971,994 | - | 12,682 | 991,035 |
| Grants, entrusted funds, and loans exposed to risks | - | 1,075,377 | - | - | 1,075,377 |
| Other liabilities | 2 | 36,806 | - | - | 36,808 |
| Total liabilities | 6,361 | 4,653,164 | - | 12,682 | 4,672,207 |
| Foreign exchange position on-consolidated statement of financial position | 3,321 | (1,931,149) | 566 | 52,750 | (1,874,512) |
| Foreign exchange positions off-consolidated statement of financial position | - | - | - | - | - |
| Foreign exchange position in and off-consolidated statement of financial position | 3,321 | (1,931,149) | 566 | 52,750 | (1,874,512) |

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47. MARKET RISK (continued)

47.2 Currency risk (continued)

Exchange rate sensitivity

Assuming that all variables remain constant, the following table shows the effects on profit after tax and equity of the Bank and its subsidiary due to changes in exchange rates. The risk due to changes of exchange rates for other currencies of the Bank and its subsidiary is not significant.

| | <u>Assumed level of change</u> % | <u>Effects on profit after tax</u> VND million |
|-------------------------------|-------------------------------------|---|
| As at 31 December 2024 | | |
| EUR | 1% | 27 |
| EUR | (1%) | (27) |
| USD | 1% | (15,449) |
| USD | (1%) | 15,449 |
| SJC | 1% | 5 |
| SJC | (1%) | (5) |

47.3 Liquidity risk

Liquidity risk is the risk which the Bank and its subsidiary face difficulties in meeting their financial liabilities. Liquidity risk arises when the Bank and its subsidiary are unable to settle debt obligations on their due dates under normal or stress conditions. To manage exposure to liquidity risk, the Bank and its subsidiary diversify the mobilization of deposits from various sources in addition to its basic capital resources. In addition, the Bank and its subsidiary have established policies to control liquidity assets flexibly; monitor the future cash flows and daily liquidity. The Bank and its subsidiary have also evaluated the estimated cash flows and the availability of current collateral assets in case of obtaining more deposits.

The maturity term of assets and liabilities is the remaining period of assets and liabilities calculated from the consolidated statement of financial position date to the settlement date in accordance with contractual terms and conditions.

The following assumptions and conditions are applied in the analysis of the maturity of the Bank and its subsidiary's assets and liabilities:

- ▶ Balances with the SBV are classified as demand deposits, considered within one (1) month, including compulsory deposits;
- ▶ The maturity term of investment securities - debt securities is calculated based on the maturity date of each type of securities; investment securities - listed equity securities are considered within one (1) month because of their high liquidity;
- ▶ The maturity term of borrowings from the Government and the SBV; grants, entrusted funds and loans exposed to risks; valuable papers issued; due from and loans to other credit institutions; and loans to customers is determined based on the maturity date stipulated in contracts. The actual maturity term may be altered if loan contracts are extended;
- ▶ The maturity term of long-term investments is considered to be more than five (5) years because these investments do not have specific maturity dates;
- ▶ The maturity term of due to and borrowings from other credit institutions; derivatives and other financial liabilities; and due to customers is determined based on the features of these items or the maturity date as stipulated in contracts. Vostro accounts and demand deposits are transacted as required by customers and are classified as current accounts. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In practice, these amounts may be rolled over, and therefore, may extend beyond the original maturity date;
- ▶ The maturity term of fixed assets is determined based on the remaining useful life of the asset.

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47. MARKET RISK (continued)

47.3 Liquidity risk (continued)

The following table presents the maturity of assets and liabilities of the Bank as at 31 December 2024:

| | Overdue | | | Current | | | | | Total VND million |
|--|-------------------------------|-------------------------------|------------------------------|-----------------------------|------------------------------|----------------------------|------------------------------|--------------------|----------------------|
| | Above 3 months VND million | Up to 3 months VND million | Up to 1 month VND million | 1 – 3 months VND million | 3 – 12 months VND million | 1 – 5 years VND million | Above 5 years VND million | | |
| Assets | | | | | | | | | |
| Cash and gold | - | - | 1,148,489 | - | - | - | - | 1,148,489 | |
| Balances with the SBV | - | - | 13,632,932 | - | - | - | - | 13,632,932 | |
| Due from and loans to other credit institutions | - | - | 34,241,418 | 2,300,000 | 137,721 | 130,644 | - | 36,809,783 | |
| Loans to customers - gross | 3,908,979 | 2,469,632 | 8,587,436 | 13,397,749 | 66,668,646 | 27,928,989 | 44,776,566 | 167,737,997 | |
| Investment securities - gross | - | - | 142,304 | 1,170,053 | 5,270,000 | 3,087,332 | 11,186,962 | 20,856,651 | |
| Long-term investments - gross | - | - | - | - | - | - | 224,011 | 224,011 | |
| Fixed assets | - | - | 358,664 | 1,159 | 12,060 | 369,968 | 1,446,257 | 2,188,108 | |
| Investment properties | - | - | - | - | - | - | 30,439 | 30,439 | |
| Other assets - gross | - | - | 1,189,008 | 625,940 | 1,393,013 | 1,161,953 | 330,988 | 4,700,902 | |
| Total assets | 3,908,979 | 2,469,632 | 59,300,251 | 17,494,901 | 73,481,440 | 32,678,886 | 57,995,223 | 247,329,312 | |
| Liabilities | | | | | | | | | |
| Borrowings from the Government and the SBV | - | - | 2,577,456 | - | 155 | - | - | 2,577,611 | |
| Due to and borrowings from other credit institutions | - | - | 36,836,612 | 2,000,000 | 319,394 | 40,245 | 64 | 39,196,315 | |
| Due to customers | - | - | 44,556,313 | 38,159,630 | 73,236,788 | 2,381,272 | - | 158,334,003 | |
| Derivatives and other financial liabilities | - | - | 4,639 | 2,075 | 54 | - | - | 6,768 | |
| Grants, entrusted funds, and loans exposed to risks | - | - | - | - | 113,910 | 962,264 | - | 1,076,174 | |
| Valuable papers issued | - | - | - | 500,000 | 4,667,440 | 10,146,770 | 4,692,730 | 20,006,940 | |
| Other liabilities | - | - | 1,909,227 | 850,686 | 1,843,682 | 38,984 | 60 | 4,642,639 | |
| Total liabilities | - | - | 85,884,247 | 41,512,391 | 80,181,423 | 13,569,535 | 4,692,854 | 225,840,450 | |
| Net liquidity gap | 3,908,979 | 2,469,632 | (26,583,996) | (24,017,490) | (6,699,983) | 19,109,351 | 53,302,369 | 21,488,862 | |



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47. MARKET RISK (continued)

47.4 Market price risk

Except for the assets and liabilities presented above, the Bank and its subsidiary have no other market price risks that have risk level accounting for 5% or more of net profit or the value of assets and liabilities accounting for 5% or more of total assets.

48. OPERATING LEASE COMMITMENTS

| | <i>Ending balance</i> <i>VND million</i> | <i>Beginning balance</i> <i>VND million</i> |
|------------------------------------|---|--|
| Operating lease commitments | 1,652,059 | 1,373,256 |
| <i>In which:</i> | | |
| - Due within one year | 279,840 | 229,089 |
| - Due from one to five years | 837,117 | 842,805 |
| - Due after five years | 535,102 | 301,362 |

49. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular 210/2009/TT-BTC, which provides guidance for the adoption of the International Financial Reporting Standards on the presentation and disclosures of financial instruments in Vietnam (referred to as "Circular 210"). This circular is effective for financial years beginning on or after 1 January 2011.

Circular 210 specifically addresses the presentation and disclosures of financial instruments. Therefore, the concepts of financial assets, financial liabilities, and related concepts are applied solely for supplemental presentation as requirements of Circular 210. The assets, liabilities, and equity of the Bank and its subsidiary have been recognized and measured in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions, and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Financial assets

Financial assets of the Bank and its subsidiary within the scope of Circular 210 comprise cash and gold; balances with the SBV; due from and loans to other credit institutions; loans to customers; investment securities; receivables and other financial assets.

According to Circular 210, financial assets are appropriately classified, for the purpose of disclosure in the consolidated financial statements, into one of the following categories:

► *A financial asset at fair value through the consolidated income statement*

Is a financial asset that meets either of the following conditions:

- a) It is classified as held-for-trading. A financial asset is classified as held-for-trading if:
 - ✓ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - ✓ There is evidence of recent actual pattern of short-term profit-taking; or
 - ✓ Derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument);
- b) It is designated by the Bank and its subsidiary as at fair value through the consolidated income statement upon initial recognition.

49. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial assets (continued)

► *Held-to-maturity investments:*

Non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank and its subsidiary intend and can hold to maturity, except for:

- a) Financial assets that, at the time of initial recognition, have been classified as a recognized group at their fair value through the consolidated statement of income;
- b) Financial assets classified as available-for-sale;
- c) Financial assets that satisfy the definitions of loans and receivables.

► *Loans and receivables:*

Are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market, except for:

- a) Those that the Bank and its subsidiary intend to sell immediately or in the near term, which shall be classified as held for trading, and those that the Bank and its subsidiary, upon initial recognition, designate as at fair value through the consolidated income statement;
- b) Those that the Bank and its subsidiary designate as available for sale upon initial recognition; or
- c) Those for which the holder may not recover substantially all its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

► *Available for sale assets:*

Are non-derivative financial assets that are designated as available for sale or are not classified as:

- a) Loans and receivables;
- b) Held-to-maturity investments;
- c) Financial assets at fair value through the consolidated income statement.

Financial liabilities

Financial liabilities of the Bank and its subsidiary under the Circular 210 consist of borrowings from the Government and the SBV; due to and borrowings from other credit institutions; due to customers; grants, entrusted funds, loans exposed to risks; valuable papers issued; payables and other financial liabilities.

49. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES
(continued)

Financial liabilities (continued)

According to Circular 210, financial liabilities are appropriately classified into the following categories for the purpose of disclosure in the consolidated financial statements:

► ***Financial liabilities at fair value through consolidated income statement***

Is a financial liability that meets either of the following conditions:

- a) It is classified as held for trading. A financial liability is deemed held for trading if:
 - ✓ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - ✓ There is evidence of a recent actual pattern of short-term profit-taking; or
 - ✓ Derivatives (except for a derivative that is a financial guarantee contract or designated and effective hedging instrument).
- b) Upon initial recognition, it is designated by the Bank and its subsidiary as at fair value through the consolidated income statement.

► ***Financial liabilities at amortized cost.***

Financial liabilities that are not categorized as at fair value through the consolidated income statement will be classified as financial liabilities at amortized cost.

Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and reported at the net amount in the consolidated statement of financial position if, and only if, the Bank and its subsidiary have an enforceable legal right to offset financial assets against financial liabilities and the Bank and its subsidiary have the intention to settle on a net basis, or the realization of the assets and settlement of liabilities is made simultaneously.

Determine the fair value of financial instruments

The fair value of cash and short-term deposits approximates their carrying value due to the short-term maturity of these items.

49. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The carrying amount and fair value of the Bank and its subsidiary's financial assets and liabilities are presented as at 31 December 2024 as follows:

| | Carrying amount | | | | | Fair value VND million |
|--|------------------------|---------------------------------|---------------------------------------|---------------------------------------|---|---------------------------|
| | Trading VND million | Held to maturity VND million | Loan and receivable VND million | Available-for- sale VND million | Other assets and liabilities at amortized cost VND million | |
| Financial assets | | | | | | |
| Cash and gold | - | - | 1,148,489 | - | - | 1,148,489 |
| Balances with the SBV | - | - | 13,632,932 | - | - | 13,632,932 |
| Due from and loans to other credit institutions | - | - | 36,809,783 | - | - | 36,809,783 |
| Loans to customers | - | - | 165,672,890 | - | - | (*) |
| Investment securities | - | 10,566,774 | - | 10,275,083 | - | 20,841,857 |
| Long-term investments | - | - | - | 142,759 | - | 142,759 |
| Other financial assets | - | - | 3,740,969 | - | - | 3,740,969 |
| | - | 10,566,774 | 221,005,063 | 10,417,842 | - | 241,989,679 |
| Financial liabilities | | | | | | |
| Borrowings from the Government and the SBV | - | - | - | - | 2,577,611 | 2,577,611 |
| Due to and borrowings from other credit institutions | - | - | - | - | 39,196,315 | 39,196,315 |
| Due to customers | - | - | - | - | 158,334,003 | 158,334,003 |
| Derivatives and other financial liabilities | 6,768 | - | - | - | - | 6,768 |
| Grants, entrusted funds and loans exposed to risks | - | - | - | - | 1,076,174 | 1,076,174 |
| Valuable papers issued | - | - | - | - | 20,006,940 | 20,006,940 |
| Other financial liabilities | - | - | - | - | 3,842,280 | 3,842,280 |
| | 6,768 | - | - | - | 225,033,323 | 225,040,091 |

(*) As Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, and related regulations of the State Bank of Vietnam have no specific guidance on the fair value determination, the fair value of these items cannot be determined.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

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50. EVENTS AFTER THE CONSOLIDATED FINANCIAL STATEMENTS DATE

There is no matter or circumstance that has arisen since 31 December 2024 that requires adjustment or disclosure in the consolidated financial statements of the Bank and its subsidiary.

51. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AT THE END OF THE YEAR

| | 31 December 2024 VND | 31 December 2023 VND |
|------------------|-------------------------|-------------------------|
| USD | 25,303.00 | 24,200.00 |
| EUR | 26,577.00 | 26,780.00 |
| GBP | 31,968.00 | 30,890.00 |
| CAD | 17,718.50 | 18,315.50 |
| SGD | 18,755.00 | 18,387.50 |
| AUD | 15,859.50 | 16,526.00 |
| CHF | 28,165.50 | 28,827.00 |
| JPY | 162.31 | 172.01 |
| HKD | 3,279.50 | 3,110.00 |
| KRW | 17.73 | 18.74 |
| Gold SJC (ounce) | 8,320,000 | 7,100,000 |



Mr. Le Dinh Tu
Head of Accounting
Department



Ms. Nguyen Thi My Lan
Director of Finance Division
cum Chief Accountant




Mr. Tran Khai Hoan
Acting Chief Executive Officer

Ho Chi Minh City, Vietnam

28 February 2025