

# NAM A BANK

NAM A BANK – HỘI SỞI/HEAD OFFICE  
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Số/No: 100 /2025/CBTT-NHNA  
V/v: Công bố thông tin BCTC Quý IV năm 2024 (Riêng lẻ và Hợp nhất) và giải trình biến động lợi nhuận/Ref: Information disclosure of the Financial Statements for the Q4 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 24 tháng/month 04 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

- 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 Cách Mạng Tháng Tám Street, Ward 4, District 3, Ho Chi Minh City
  - Điện thoại/Telephone: (84-28) 3929 6699 Fax: (84-28) 3929 6688
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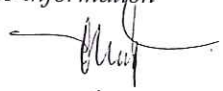
### 2. Nội dung thông tin công bố/Contents of disclosure:

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 Q4 2024/Separate Financial Statement Q4 2024;
- + Báo cáo tài chính hợp nhất Q4 2024/Consolidated Financial Statement Q4 2024;


- 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 / NAM A 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 BANK**

**Nam A Commercial Joint Stock Bank**

**SEPARATE FINANCIAL STATEMENT**

Quarter 4/2024 and for the period from 01 January 2024 to

31 December 2024

# Nam A Commercial Joint Stock Bank

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# Nam A Commercial Joint Stock Bank

SEPARATE STATEMENT OF FINANCIAL POSITION  
As at 31 December 2024

B02a/TCTD

	<i>Notes</i>	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
<b>ASSETS</b>			
<b>Cash and gold</b>		<b>1,148,489</b>	<b>1,132,969</b>
<b>Balances with the State Bank of Vietnam</b>		<b>13,632,932</b>	<b>16,268,047</b>
<b>Due from and loans to other credit institutions</b>		<b>36,809,783</b>	<b>22,591,302</b>
Due from other credit institutions		36,519,898	20,801,417
Loans to other credit institutions		289,885	1,789,885
<b>Derivatives and other financial assets</b>	<b>V.1</b>	-	<b>39,455</b>
<b>Loans to customers</b>		<b>165,672,890</b>	<b>139,894,641</b>
Loans to customers	V.2	167,737,997	141,438,441
Provision for loans to customers	V.3	(2,065,107)	(1,543,800)
<b>Investment securities</b>	<b>V.4</b>	<b>20,841,857</b>	<b>24,068,777</b>
Available-for-sale securities		10,289,877	13,110,808
Held-to-maturity securities		10,566,774	10,976,814
Provision for investment securities		(14,794)	(18,845)
<b>Long-term investments</b>	<b>V.5</b>	<b>642,759</b>	<b>574,800</b>
Investments in subsidiary		500,000	500,000
Other long-term investments		224,011	74,800
Provision for long-term investments		(81,252)	-
<b>Fixed assets</b>		<b>2,185,908</b>	<b>1,586,393</b>
<i>Tangible fixed assets</i>		1,528,705	901,069
Cost		2,306,199	1,553,198
Accumulated depreciation		(777,494)	(652,129)
<i>Financial lease fixed assets</i>		77,686	103,732
Cost		156,859	158,092
Accumulated depreciation		(79,173)	(54,360)
<i>Intangible fixed assets</i>		579,517	581,592
Cost		755,607	744,439
Accumulated amortization		(176,090)	(162,847)
<b>Other assets</b>		<b>4,658,332</b>	<b>3,889,971</b>
Receivables		918,957	1,165,744
Interest and fee receivables		3,001,116	2,076,285
Other assets		777,435	680,965
Provision for other on-balance sheet assets		(39,176)	(33,023)
<b>TOTAL ASSETS</b>		<b>245,592,950</b>	<b>210,046,355</b>

# Nam A Commercial Joint Stock Bank

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

B02a/TCTD

	<i>Notes</i>	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
<b>LIABILITIES</b>			
<b>Borrowings from the Government and the State Bank</b>	<b>V.6</b>	<b>2,577,611</b>	<b>345</b>
Due to and borrowings from the Government and the State Bank		2,577,611	345
<b>Due to and borrowings from other credit institutions</b>	<b>V.7</b>	<b>39,195,158</b>	<b>24,021,362</b>
Due to other credit institutions		37,715,294	22,816,967
Borrowings from other credit institutions		1,479,864	1,204,395
<b>Due to customers</b>	<b>V.8</b>	<b>158,831,511</b>	<b>145,611,035</b>
<b>Derivatives and other financial liabilities</b>	<b>V.1</b>	<b>6,768</b>	<b>-</b>
<b>Grants, entrusted funds and loans exposed to risks</b>		<b>1,076,174</b>	<b>1,066,465</b>
<b>Valuable papers issued</b>	<b>V.9</b>	<b>20,006,940</b>	<b>18,458,868</b>
<b>Other liabilities</b>	<b>V.10</b>	<b>4,638,765</b>	<b>5,674,998</b>
Interest and fee payables		3,396,127	4,283,213
Other liabilities		1,242,638	1,391,785
<b>TOTAL LIABILITIES</b>		<b>226,332,927</b>	<b>194,833,073</b>
<b>OWNERS' EQUITY</b>			
<b>Capital</b>		<b>13,725,604</b>	<b>10,580,866</b>
Charter capital		13,725,506	10,580,416
Fund for capital expenditure		10	10
Share premium		63	415
Other capital		25	25
<b>Reserves</b>		<b>2,145,882</b>	<b>1,419,221</b>
<b>Retained earnings</b>		<b>3,388,537</b>	<b>3,213,195</b>
<b>TOTAL OWNERS' EQUITY</b>	<b>V.12</b>	<b>19,260,023</b>	<b>15,213,282</b>
<b>TOTAL LIABILITES AND OWNERS' EQUITY</b>		<b>245,592,950</b>	<b>210,046,355</b>

# Nam A Commercial Joint Stock Bank

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

B02a/TCTD

## OFF-SEPARATE STATEMENT OF FINANCIAL POSITION ITEMS

	31 December 2024 VND million	31 December 2023 VND million
Guarantees for borrowings	3,658,967	-
Foreign exchange commitments	8,075,790	14,694,595
- Spot foreign exchange commitments - buy	-	2,420,000
- Spot foreign exchange commitments - sell	-	169,400
- Commitments on currency swap transactions	8,075,790	12,105,195
Letters of credit	549,881	6,114,363
Other guarantees	3,656,250	9,847,973
Other commitments	149,669	-
Interest and fee receivables not yet collected	2,312,141	2,019,149
Written-off debts	2,508,183	2,674,247
Assets and other documents	10,093,971	11,433,276
	<b>31,004,852</b>	<b>46,783,603</b>



Mr. Le Dinh Tu  
Head of Accounting Department



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




Mr. Vo Hoang Hai  
Deputy General Director

Ho Chi Minh City, Vietnam

23 January 2025



# Nam A Commercial Joint Stock Bank

## SEPARATE INCOME STATEMENT

B03a/TCTD

For the period from 01 January 2024 to 31 December 2024

	Notes	Quarter 4		12-month period ended	
		Current period VND million	Previous period VND million	Current period VND million	Previous period VND million
Interest and similar income	VI.13	4,475,736	5,171,291	17,411,705	19,338,340
Interest and similar expenses	VI.14	(2,479,626)	(2,937,057)	(9,521,684)	(12,726,686)
<b>Net interest and similar income</b>		<b>1,996,110</b>	<b>2,234,234</b>	<b>7,890,021</b>	<b>6,611,654</b>
Fee and commission income		197,879	221,219	951,749	1,141,487
Fee and commission expenses		(55,334)	(100,614)	(385,907)	(547,045)
<b>Net fees and commission income</b>		<b>142,545</b>	<b>120,605</b>	<b>565,842</b>	<b>594,442</b>
<b>Net gain from trading of foreign currencies</b>		<b>24,812</b>	<b>12,850</b>	<b>2,807</b>	<b>14,607</b>
<b>Net gain from trading of held-for-trading securities</b>	VI.15	<b>864</b>	<b>-</b>	<b>864</b>	<b>-</b>
<b>Net gain from investment securities</b>	VI.16	<b>26,737</b>	<b>49,217</b>	<b>123,787</b>	<b>59,287</b>
Other operating income		322,581	488,632	467,647	499,519
Other operating expenses		(9,152)	(159,150)	(41,779)	(166,580)
<b>Net gain from other operating activities</b>		<b>313,429</b>	<b>329,482</b>	<b>425,868</b>	<b>332,939</b>
<b>Income from investments in other entities</b>		<b>6,414</b>	<b>5,314</b>	<b>6,414</b>	<b>5,352</b>
<b>Total operating expenses</b>	VI.17	<b>(1,327,491)</b>	<b>(974,121)</b>	<b>(3,951,147)</b>	<b>(3,467,920)</b>
<b>Net profit before provision for credit losses</b>		<b>1,183,420</b>	<b>1,777,581</b>	<b>5,064,456</b>	<b>4,150,361</b>
<b>Provision expense for credit losses</b>		<b>44,700</b>	<b>(514,116)</b>	<b>(520,902)</b>	<b>(847,804)</b>
<b>PROFIT BEFORE TAX</b>		<b>1,228,120</b>	<b>1,263,465</b>	<b>4,543,554</b>	<b>3,302,557</b>
Current corporate income tax expense		(255,279)	(267,700)	(936,461)	(680,938)
<b>Total corporate income tax expense</b>		<b>(255,279)</b>	<b>(267,700)</b>	<b>(936,461)</b>	<b>(680,938)</b>
<b>PROFIT AFTER TAX</b>		<b>972,841</b>	<b>995,765</b>	<b>3,607,093</b>	<b>2,621,619</b>



Mr. Le Dinh Tu  
Head of Accounting Department



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Director of Finance Division cum  
Chief Accountant




Mr. Vo Hoang Hai  
Deputy General Director

Ho Chi Minh City, Vietnam

23 January 2025

# Nam A Commercial Joint Stock Bank

SEPARATE CASH FLOWS STATEMENT  
For the period from 01 January 2024 to 31 December 2024

B04a/TCTD

	Current period VND million	Previous period VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest and similar income receipts	16,460,414	19,982,045
Interest and similar expenses payments	(10,394,690)	(11,575,206)
Net fees and commission receipts	586,570	542,276
Net receipts from trading of securities, gold and foreign currencies	122,507	45,593
Other income	(41,145)	(165,113)
Recovery of loans previously written-off	465,822	496,895
Payments to employees and other operating expenses	(3,627,501)	(3,501,799)
Corporate income tax paid for the period	(949,364)	(500,297)
<b>Net cash flows from operating profit before changes in operating assets and liabilities</b>	<b>2,622,613</b>	<b>5,324,394</b>
<b>Changes in operating assets</b>		
(Increase)/decrease in due from and loans to other credit institutions	1,500,000	(1,104,739)
(Increase)/decrease in trading securities	3,230,971	352,279
(Increase)/decrease in derivatives and other financial assets	39,455	65,494
(Increase)/decrease 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)
(Increase)/decrease in other assets	71,868	1,034,924
<b>Changes in operating liabilities</b>		
Increase/(decrease) in borrowings from the Government and the State Bank	2,577,266	(267)
Increase/(decrease) in due to and borrowings from other credit institutions	15,195,082	2,677,578
Increase/(decrease) in due to customers	13,220,476	20,535,403
Increase/(decrease) in valuable paper issued	1,548,072	6,075,205
Increase/(decrease) in grants, entrusted funds and loans exposed to risks	9,709	115,235
Increase/(decrease) in derivatives and other financial liabilities	6,768	-
Increase/(decrease) in other liabilities	(308,931)	(894,662)
<b>Net cash from operating activities</b>	<b>13,409,849</b>	<b>12,918,775</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(668,919)	(581,113)
Proceeds from disposal of fixed assets	1,191	1,191
Payments to investments in other entities	(152,717)	(400,000)
Proceeds from investments in other entities	3,506	-
Dividends received and profit shared from long-term investments	6,414	5,352
<b>Net cash used in investing activities</b>	<b>(810,525)</b>	<b>(974,570)</b>

# Nam A Commercial Joint Stock Bank

SEPARATE CASH FLOWS STATEMENT(continued)  
For the period from 01 January 2024 to 31 December 2024

B04a/TCTD

	Current period VND million	Previous period VND million
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in charter capital from capital contribution and/or share issuance	499,648	-
Dividends payment to shareholders	(86)	(226)
<b>Net cash used in financing activities</b>	<b>499,562</b>	<b>(226)</b>
<b>Net change of cash for the period</b>	<b>13,098,886</b>	<b>11,943,979</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>38,202,433</b>	<b>26,258,453</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>51,301,319</b>	<b>38,202,432</b>



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Deputy General Director

Ho Chi Minh City, Vietnam

23 January 2025



# Nam A Commercial Joint Stock Bank

NOTES TO SEPARATE FINANCIAL STATEMENT  
For the period from 01 January 2024 to 31 December 2024

B05a/TCTD

## I. THE BANK

### 1. Establishment and Operations

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

The Bank 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 for 45<sup>th</sup> times on 3 August 2023 issued by Department of Planning and Investment of Ho Chi Minh City. The valid of operation of the Bank is 99 years.

The Bank's principal activities are to provide banking services including 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.

### 2. Charter capital

The charter capital of the Bank as at 31 December 2024 is VND 13,725,505,530,000 (as at 31 December 2023: VND 10,580,416,150,000).

### 3. The Board of Directors

The members of the Board of Directors of the Bank during the period and until 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
Ms. Vo Thi Tuyet Nga	Vice Chairwoman
Mr. Tran Khai Hoan	Member
Mr. Nguyen Duc Minh Tri	Member
Ms. Nguyen Thi Thanh Dao	Member
Ms. Le Thi Kim Anh	Independent Member

### 4. The Board of Supervisors

The members of the Board of Supervision of the Bank during the period and until 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

NOTES TO SEPARATE FINANCIAL STATEMENT (continued)  
For the period from 01 January 2024 to 31 December 2024

B05a/TCTD

## 5. The Board of Management and Chief Accountant

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

<i>Name</i>	<i>Position</i>
Mr. Tran Khai Hoan	Acting General Director
Mr. Hoang Viet Cuong	Deputy General Director
Mr. Ha Huy Cuong	Deputy General Director
Mr. Le Anh Tu	Deputy General Director
Mr. Nguyen Vinh Tuyen	Deputy General Director
Mr. Vo Hoang Hai	Deputy General Director
Ms. Ho Nguyen Thuy Vy	Deputy General Director
Mr. Huynh Thanh Phong	Deputy General Director
Mr. Nguyen Minh Tuan	Deputy General Director
Ms. Lam Kim Khoi	Deputy General Director
Ms. Nguyen Thi My Lan	Director of Finance Division cum Chief Accountant

## 6. Legal representative

The legal representative of the Bank from 01 January 2024 to the date of this report is Mr. Tran Ngo Phuc Vu, Chairman of the Board of Directors.

Mr. Vo Hoang Hai - Deputy General Director was authorized to sign the attached separate financial statements for the financial period ended 31 December 2024 in accordance with Decision No. 378/2023/QĐ-NHNA-01 dated 10 April 2023.

## 7. 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 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.

## 8. Subsidiary

As at 31 December 2024, the Bank had 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) times on 16 January 2023	Debt management and asset mining	100%

## 9. Employees

The Bank's total number of employees as at 31 December 2024 was 5,260 persons (as at 31 December 2023: 5,311 persons)



**II. ACCOUNTING AND PRESENTATION CURRENCY**

**1. Fiscal year**

The Bank's fiscal year applicable for the preparation of its separate financial statements starts on 01 January and ends on 31 December.

The Bank's fourth quarter of the year applicable for the preparation of its separate financial statements starts on 01 January and ends on 31 December .

**2. Accounting currency**

The separate financial statements are prepared in Vietnam dong ("VND").

For the presentation of the separate 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 separate financial statements on the Bank's separate financial position, its separate income statement and its separate cash flows.

**III. APPLIED ACCOUNTING STANDARDS AND SYSTEM**

**1. Statement of compliance**

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

**2. Purpose of preparing the separate financial statements**

The separate financial statements of the Bank have been prepared in accordance with the Accounting System applicable to Credit Institutions required under Decision No. 479/2004/QD-NHNN issued on 29 April 2004, Circular No. 10/2014/TT-NHNN dated 20 March 2014 and Circular No. 22/2017/TT-NHNN dated 29 December 2017 amending and supplementing Decision No. 479/2004/QD-NHNN; Decision No. 16/2007/QD-NHNN dated 18 April 2007, Circular No. 27/2021/TT-NHNN issued by State Bank of Vietnam on 31 December 2021, Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QD-NHNN, Vietnamese Accounting Standard No. 27 – Financial Reporting and other Vietnamese Accounting Standard issued by the Ministry of Finance as per:

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

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

Items or balances required by Decision No. 16/2007/QD-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 and Circular No. 27/2021/TT-NHNN dated 31 December 2021 stipulating the separate financial statements reporting mechanism for credit institutions that are not shown in these separate financial statements indicate nil balance.

# Nam A Commercial Joint Stock Bank

NOTES TO SEPARATE FINANCIAL STATEMENT (continued)  
For the period from 01 January 2024 to 31 December 2024

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## 3. Assumptions and uses of estimates

The preparation of the separate 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 disclosure of contingent liabilities. These estimates and assumptions also affect 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 resulting in future changes in such provision.

## IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1. Cash and cash equivalents

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

### 2. 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 accounting period.

The credit risk classification of due from and credit granting to other credit institutions and provision for credit risks thereof are provided in accordance with Decree No 86/2024/ND-CP (Decree 86) and Circular No.31/2024/TT-NHNN (Circular 31).

Accordingly, the Bank makes a specific provision for due from (except for current accounts) and loans to other credit institutions according to the method as described in *Note 4*.

According to Circular 31, the Bank is not required to make a general provision for due from and loans to other credit institutions.

### 3. Loans to customers

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

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

Short-term loans have term of less than one year from the disbursement date. Medium-term loans have term of one to five years from the disbursement date. Long-term loans are loans with term of over 5 years from the disbursement date.

Loan classification and provision for credit losses are made according to Decree 86 and Circular 31 as described in *Note 4*.

### 4. Loan 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

#### 4.1 *Loan 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 and other credit risk bearing assets (collectively called "debts") is recognized on the basis of quantitative method as prescribed in Article 10 of Circular 31. Accordingly, loans to customers are classified according to the following levels of risk: Current, Special mention, Sub-standard, Doubtful and Loss based on status out of date. Debts classified as Sub-standard, Doubtful and Loss are considered bad debt.



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

The specific provision for debts as at 31 December 2024 is made based on the principal balance less discounted value of collaterals multiplied by provision rates which are determined based on the debt classifications as at 31 December 2024. The basis for value and discounted value determination for each type of collateral is specified in Decree 86.

The specific provision rates for each group are presented as follows:

<i>Loan group</i>		<i>Description</i>	<i>Specific provision rate</i>
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.	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; or (c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under credit contracts; 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"> <li>▪ Debts made in compliance with Clause 1, 3, 4, 5, 6 under Article 134 of Law on Credit Institutions; or</li> <li>▪ Debts made in compliance with Clause 1, 2, 3, 4 under Article 135 of Law on Credit Institutions; or</li> <li>▪ Debts made in compliance with Clauses 1, 2 and 5 under Article 136 of Law on Credit Institutions,</li> </ul> (e) Debts are required to be recovered according to regulatory inspection conclusions. (f) Debts are required to be recovered according to credit institutions, foreign bank branches' decisions on early payment due to customers' breach of agreements but have not yet been recovered in 30 days from the issuance date of the decision; or (g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information	20%

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<i>Loan group</i>		<i>Description</i>	<i>Specific provision rate</i>
4	Doubtful	<ul style="list-style-type: none"> <li>(a) Debts are overdue for a period of between 181 days and 360 days; or</li> <li>(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</li> <li>(c) Debts which the repayment terms are restructured for the second time; or</li> <li>(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</li> <li>(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.</li> <li>(f) Debts are required to be recovered according to credit institutions, foreign bank branches' decisions on early payment due to customers' breach of agreements but have not yet been recovered for a period between 30 days to 60 days from the issuance date of the decision; or</li> <li>(g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.</li> </ul>	50%
5	Loss	<ul style="list-style-type: none"> <li>(a) Debts are overdue for a period of more than 360 days; or</li> <li>(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</li> <li>(c) Debts of which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or</li> <li>(d) Debts of which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or</li> <li>(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</li> <li>(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</li> <li>(g) Debts are required to be recovered according to credit institutions, foreign bank branches' decisions on early payment due to customers' breach of agreements but have not yet been recovered for a period of more than 60 days from the issuance date of the decision; or</li> <li>(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</li> <li>(i) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.</li> </ul>	100%

If a customer has more than one debt with the Bank 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.



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If a customer is classified into debt group with lower risk than debt group in Credit Information Center ("CIC") list, the Bank must adjust the debt classification results according to CIC list.

When the Bank participates 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.

#### 4.2 *Term restructuring, interest and/or fees exemption or reduction and debt classification retention to assist customers affected by the COVID-19*

The Bank also applies the regulations for restructuring repayment terms then keeping the same debt group for loans which meet requirements of Circular No. 01/2020/TT-NHNN ("Circular 01") dated 13 March 2020 by the State Bank of Vietnam, Circular No. 03/2021/TT-NHNN ("Circular 03") dated 2 April 2021, effect from 17 May 2021 and Circular No. 14/2021/TT-NHNN ("Circular 14") dated 7 September 2021 on amending and supplementing a number of articles of Circular 01 specified that credit institutions, foreign bank's branches restructure loan, exemption or reduction of interest and fees and keep the same debt group to assist the customers affected by Covid 19 pandemic.

From 13 March 2020, the Bank applied Circular No. 01/2020/TT-NHNN ("Circular 01") issued by the State Bank of Vietnam providing regulations on loan restructuring, interest and/or fees exemption or reduction and debt classification retention for credit institutions and foreign bank branches to assist customers affected by the COVID-19 pandemic. Accordingly, for debts that principal and/or interest payment obligations incur during the period from 23 January 2020 to the day after 3 months from the date the Prime Minister announces the end of the COVID-19 pandemic, and the customers fail to make the principal and/or interest payment on time under the signed loan agreements, contracts due to decrease in revenue and income affected by the COVID-19 pandemic, the Bank are allowed to restructure the repayment term for these debts and retain the latest debt classification as before 23 January 2020.

From 17 May 2021, the Bank applied Circular No. 03/2021/TT-NHNN ("Circular 03") issued by the State Bank of Vietnam amending and supplementing a number of articles of Circular 01. Accordingly, for debts arising before 10 June 2020 and having principal and/or interest payment obligations incur during the period from 23 January 2020 to 31 December 2021, and the customers fail to make the principal and/or interest payment on time under the signed loan agreements, contracts due to decrease in revenue and income affected by the COVID-19 pandemic, the Bank are allowed to restructure the repayment term, exempt or reduce interest and/or fees, and retain debt classification as follows:

<i>Disbursement date</i>	<i>Payment obligation due</i>	<i>Overdue status</i>	<i>Overdue date</i>	<i>Principle of debt classification retention</i>
Before 23/01/2020	From 23/01/2020 to 31/12/2021	Current or overdue for a period of 10 days	From 30/03/2020 to 31/12/2021	Retain the latest debt classification as before 23 January 2020
		Overdue	From 23/01/2020 to 29/03/2020	
From 23/01/2021 to before 10/06/2020		Current or overdue for a period of 10 days	From 17/05/2021 to 31/12/2021	Retain the latest debt classification as before the first-time restructuring date
		Overdue	From 23/01/2020 to 17/05/2021	Retain the latest debt classification as before overdue transferring date



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From 7 September 2021, the Bank applied Circular No. 14/2021/TT-NHNN ("Circular 14") dated 7 September 2021 issued by the State Bank of Vietnam amending and supplementing a number of articles of Circular 01. Accordingly, for debts arising before 1 August 2021 and having principal and/or interest payment obligations incur during the period from 23 January 2020 to 31 December 2022, and the customers fail to make the principal and/or interest payment on time under the signed loan agreements, contracts due to decrease in revenue and income affected by the COVID-19 pandemic, the Bank are allowed to restructure the repayment term, exempt or reduce interest and/or fees, and retain debt classification as follows:

<i>Disbursement date</i>	<i>Payment obligation due</i>	<i>Overdue status</i>	<i>Overdue date</i>	<i>Principle of debt classification retention</i>
Before 23/01/2020	From 23/01/2020 to 30/06/2022	Current or overdue for a period of 10 days	From 30/03/2020 to before 30/06/2022	Retain the latest debt classification as before 23 January 2020
From 23/01/2020 to 01/08/2021		Current or overdue for a period of 10 days	From 17/05/2021 to before 17/07/2021 or from 07/09/2021 to 30/06/2022	Retain the latest debt classification as before the first-time restructuring date
Before 23/01/2020		Overdue	From 23/01/2020 to 29/03/2020	Retain the latest debt classification as before 23 January 2020
From 23/01/2020 to 10/06/2020		Overdue	From 23/01/2020 to 17/05/2021	Retain the latest debt classification as before overdue transferring date
From 10/06/2020 to 01/08/2021		Overdue	From 17/07/2021 to 07/09/2021	

For debts, which repayment term was restructured, interest and/or fees were exempted or reduced and debt classification was retained, are overdue under restructured repayment term and not continued to restructured under current regulations, the Bank make debt classification and provision in accordance with Circular 31.

#### 4.3 *Term restructuring, debt classification retention to assist customers in difficulty*

From 24 April 2023, the Bank applied Circular 02 to restructure the repayment term for the principal and/or interest balance of debts based on the customer requests. Accordingly, for debts arising before 24 April 2023 and having principal and/or interest payment obligations within the period from this date until 31 December 2024 and customers are unable to meet the timely repayment of principal and/or interest according to the signed loan agreement or contract due to a decline in revenue and income compared to the revenue and income in the principal and/or interest payment plan. The Bank is authorized to restructure the repayment term (including cases of debt extension) as determined to align with the customer's level of difficulty and not exceeding 12 months from the debt maturity date. This debt balance is restructured the repayment term and the debt group remains unchanged as the debt group has been classified according to the regulations of the Governor of the State Bank of Vietnam on the classification of assets, amounts and methods of setting up risk provisions and utilization of provisions to manage and control risks arising from the activities of credit institutions and foreign bank branches at the most recent time prior to the debt repayment term restructuring.

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## 4.4 *Additional specific provision for loans eligible for debt restructuring as prescribed in Circular 01, Circular 02, Circular 03, Circular 14.*

The Bank makes the specific provision to be made for all outstanding loans of customers which are restructured, exempted interest and reduced interest in accordance with Circular 02 and Circular 03 according to the following formula:  $C = A - B$

In which:

- C: Additional provision;
- A: Specific provision to be made for all outstanding loan balance of customers according to the results of debt classification according to Circular 31 (*Note 4.1*);
- B: Total specific provision to be made for the outstanding balance of debts retained debt classification according to regulations (*Note 4.2*) and specific provision to be made for remaining balance of the customers as debt classification according to Circular 31 (*Note 4.1*).

The additional provision C shall be made additional provision by The Bank when preparing financial statements, ensuring the provisioning at as follows:

*With Circular 01, Circular 03, and Circular 14*

- + By 31/12/2021: At least 30% of the additional provision;
- + By 31/12/2022: At least 60% of the additional provision;
- + By 31/12/2023: 100% of the additional provision.

*With Circular 02:*

- + By 31/12/2023: At least 50% of the additional provision;
- + By 31/12/2024: 100% of the additional provision;

*Write-off bad debts*

Provisions are recognized as an expense in the separate income statement and are used to deal with bad debts. According to Circular 31, the Bank establishes a risk settlement committee to deal with bad debts if they are classified in group 5, or if the borrower is an organization that is dissolved or bankruptcy or individual who is dead or missing.

## 5. **Loans sold to Vietnam Asset Management Company (“VAMC”)**

The Bank sell loans to VAMC at the carrying amount in accordance with Decree No, 53/2013/ND-CP effective from 9 July 2013 on “Establishment, structure and operations of Vietnam Asset Management Company”, Circular No. 19/2013/TT-NHNN “Regulations on purchasing, selling and writing-off of bad debts of Vietnam Asset Management Company”, circulars amend and supplement Circular 19/2013/TT-NHNN and Official Letter No. 8499/NHNN-TCKT on “Accounting guidance on selling and purchasing of bad debts between VAMC and credit institutions”. Accordingly, selling price equals to the outstanding loan balance minus (-) unused balance of specific provision. The bank then receives the special bonds issued by VAMC.

Upon the sale of loans to VAMC, the Bank writes off loan balances and corresponding specific provisions and recognizes special bonds issued by VAMC at par value. When receiving loans previously sold to VAMC, the Bank uses annual specific provisions for special bonds to write off bad debts and recognizes the difference between provision for credit loss and the remaining outstanding loan balance/bond value in “*Other income*” in the separate income statement.

## 6. **Held-for- trading securities**

*Classification and recognition*

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



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## *Measurement*

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

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

Provision for held-for-trading securities which is mentioned above is reversed when the recoverable amount of held-for-trading securities 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 trading securities are recognized in the separate income statement.

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

## *De-recognition*

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

## **7. Available-for-sale securities**

### *7.1 Classification and recognition*

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

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

Available-for-sale debt securities are recognized at par value at the purchasing date. Accrued interest before the purchasing date (for debt securities with interest payment in arrears) and deferred interest (for debt securities with interest payment in advance) is recognized in a separate account. Discount/premium, which is the difference between the cost and the amount being the par value plus (+) accrued interest (if any) or minus (-) deferred interest (if any) is also recognized in a separate account.

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium (if any) is amortized to the separate 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; cumulative interest incurred after the purchasing date is recognized as income of the Bank 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.

### *7.2 Measurement*

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

Provision for diminution in value of available-for-sale securities is made when book value of the securities is higher than its market value. Provision for diminution in value is recorded to "*Net gain/loss from investment securities*" in the separate 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 shall made provisions for those

bonds in accordance with Circular 31 as presented in *Note 4.1*.

**8. Held-to-maturity investment securities**

Held-to-maturity investment securities include special bonds issued by Vietnam Asset Management Company (“VAMC”) and other investment securities held to maturity.

*Special bonds issued by VAMC*

Special bonds issued by VAMC are fixed-term valuable papers used to purchase bad debts of the Bank. These special bonds are initially recognized at face value at the date of transaction and subsequently carried at the face value during the holding period. Face value of the bonds equals to the outstanding balance of the debts sold less their unused specific allowance.

During the holding period, the Bank periodically calculate and make allowance in accordance with Circular No. 14/2015/TT-NHNN dated 28 August 2015, Circular No. 08/2016/TT-NHNN dated 16 June 2016 amending and supplementing some articles of Circular No. 19/2013/TT-NHNN which stimulates the purchase, sale and write-off bad debts of VAMC.

As required by circulars, each year within five consecutive working days prior to the maturity date of special bonds, the Bank is obliged to fully make specific provision for each special bond using the below formula:

$$X_{(m)} = \frac{Y}{n} \times m - (Z_m + X_{m-1})$$

In which:

- $X_{(m)}$  is minimum provision for special bonds in the  $m^{\text{th}}$  year;
- $X_{m-1}$  is accumulated specific provision for special bonds in the  $m-1^{\text{th}}$  year;
- $Y$  is face value of special bonds;
- $n$  is term of special bonds (years);
- $m$  is number of years from the bond issuance date to the provision date;
- $Z_m$  is accumulated bad debt recoveries at the provision date ( $m^{\text{th}}$  year). Credit institution co-operate with VAMC to confirm such debt recoveries.

If  $(Z_m + X_{m-1}) \geq (Y/n \times m)$ , the specific provision ( $X_{(m)}$ ) will be (0).

Specific provision for each special bond is recognized in the separate income statement in “*Provision expense for credit loss*”. General provision is not required for the special bonds.

On settlement date of special bonds, interest occurred from debts collection shall be recognized into “*Interest and similar income*”.

*Other held-to-maturity investment securities*

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

Debt securities are recognized and measured similarly as available-for-sale securities at *Note 6*.

**9. Other long-term investments**

*9.1 Investments in subsidiary*

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

Provisions for diminution in value of investments in subsidiary are made for each impaired



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investment and are subject to revision at statement of financial position date. Provision for investments in subsidiary is made when the investments are impaired due to the losses incurred by subsidiary. Increase or decrease of provision balance is recognized in "Other operating expenses".

## 9.2 Other long-term investments

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

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

For securities which are not listed but are registered for trading on 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 time of preparing the separate financial statements announced by the Stock Exchange is lower than the carrying value of the securities at the end of accounting year.

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

$$\begin{array}{l} \text{Level of} \\ \text{provision for} \\ \text{investment} \end{array} = \begin{array}{l} \text{Actual rate of} \\ \text{charter capital} \\ \text{of the enterprise at} \\ \text{an business} \\ \text{organization at the} \\ \text{time of making the} \\ \text{provision} \end{array} \times \begin{array}{l} \text{Parties' actual} \\ \text{investment capital} \\ \text{the business} \\ \text{organization receiving} \\ \text{capital contribution at} \\ \text{the time of making the} \\ \text{provision} \end{array} - \begin{array}{l} \text{Actual equity} \\ \text{capital of} \\ \text{business} \\ \text{organization at} \\ \text{the time of} \\ \text{making the} \\ \text{provision} \end{array}$$

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

## 10. Fixed assets

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

The cost of a fixed asset comprises 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 and expenditures for maintenance and repairs are charged to the separate 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 separate income statement.

## 11. Lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and 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 separate 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 separate income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalized financial leased assets are depreciated using 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 separate income statement in "Other operating expenses" on a straight-line basis over the lease term.

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

**12. 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 fixed assets	3 - 10 years
Software	3 - 8 years
Land use right	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.

**13. Other receivables**

**13.1 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 in accordance with the regulations on recognition and use of provision presented in Note 4.1.

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## 13.2 Other receivables

Receivables other than receivables from credit activities in the Bank's operations are recognized at cost and subsequently carried at cost during the holding period.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are not due for payment yet but the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or of individual debtors are missing, escaped, prosecuted, on trial or deceased. Provision expense incurred is recorded in "Other operating expenses" of the separate income statement during the period.

Provision for overdue debts is made in accordance with the guidance of Circular No. 48/2019/TT-BTC as amended by Circular No.24/2022/TT-BTC as follows:

<u>Overdue period</u>	<u>Provision rate</u>
From six months up to under 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%

## 14. Derivatives financial instruments

The Bank involves in currency forward contracts and currency swap contracts to facilitate customers to transfer, modify or minimize foreign exchange risk or other market risks, and also for the trading purpose of the Bank.

### *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 nominal value at the transaction date and are revalued for the reporting purpose at the exchange rate at the reporting date. Gains or losses realized or unrealized are recognized in the "Exchange rate revaluation" under "Owners' equity" and will be transferred to the separate income statement at the end of the financial period. The premium or discount derived from the difference between spot rate and forward rate are recorded at contract date as assets if positive or liabilities if negative in separate statement of financial position. The difference is amortized to the separate income statement on straight-line basis over the forward contract period.

### *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 will be recognized immediately at the effective date of the contract as an asset if positive or a liability if the negative on the separate statement of financial position. The difference will be amortized on a straight-line basis over the life of the swap contract to the separate income statement.

## 15. Capital

### 15.1 Ordinary shares

Ordinary shares are classified as equity.

### 15.2 Share premium

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



15.3 *Funds and reserves*

The Bank has set up the following reserved funds in accordance with the Law on Credit Institutions No. 32/2024/QH15 and Decree No. 93/2017/ND-CP and the Bank's Charter as follow:

	<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 specified

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

16. **Recognition of income and expense**

*Interest income and interest expenses*

Interest income and interest expenses are recognized in the separate income statement on accrual basis for debts classified as current debts that do not have to make specific provisions. The recognition of accrued interest income is suspended when such debt is classified in groups 2 to 5 according Circular 31 as presented at *Note 4.1* or debts retained classification as group 1 due to the application of Circular 01, Circular 03 and Circular 14 at *Note 4.2* is not recognized in the separate income statement. Suspended interest income is reversed and monitored off-statement of financial position and recognized in the separate income statement upon actual receipt.

*Fees and commissions income*

Fees and commissions are recognized when services are rendered.

*Income from investments*

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

Cash dividends from investment are recognized in the separate income statement when the Bank has right to receive the payment are established. For stock dividends and bonus shares, the number of shares is just updated, and no dividend income is recognized in the separate income statement.

*Other income*

Other income is recognized on cash basis.

According to Circular 16/2018/TT-BTC dated 7 February 2018 of the Ministry of Finance guiding for financial regulation applied to credit institutions and branches of foreign banks, with regard to accounts receivable which have been accounted for as income but they are considered uncollectible or they are not obtained when they are due, the Banks recognize a reduction in revenue if it is in the same accounting period or recognize them as expenses if it is not in the same accounting period and monitoring off-statement of financial position to urge the collection. When accounts receivable is collected, the Bank shall account them for as income in the separate income statement.

17. **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 separate statement of financial position date.

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

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

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

## 18. Foreign currency transactions

In accordance with the accounting system of the Bank, all transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are converted into VND using exchange rates ruling at the separate statement of financial. Income and expenses arising in foreign currencies during the year are converted into VND at rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities from foreign currency to VND in the year are recognized and followed in the "Exchange rate revaluation" under "Owners' Equity" section and will be transferred to the separate income statement at the end of the financial year.

## 19. Employee benefits

### 19.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency, which belongs to the Ministry of Labor, Invalids and Social Affairs. The Bank are required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.50% of an employee's basic salary on a monthly basis, allowances and other additional payments. Besides, the Bank have no further obligation of post-employee benefits.

### 19.2 Voluntary resignation benefits

Under Article 46 of Labor Code No. 45/2019/QH14 effective from 01 January 2021, The Bank have the obligation to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 01 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six months up to the resignation date.

### 19.3 Unemployment insurance

According to Circular No. 28/2015/TT-BLDTBXH on guidelines for Article 52 of the Law on Employment and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government on guidelines for the Law on Employment in term of unemployment insurance, the Bank are obliged to pay unemployment insurance at 1.00% of its salary fund used to pay for unemployment insurance and deduct 1.00% of salary of each employee to pay simultaneously to the Unemployment Insurance Fund.

## 20. Related parties

Parties are considered to be related parties of the Bank 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, or when the Bank and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.



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For the period from 01 January 2024 to 31 December 2024

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## V. NOTES TO SEPARATE STATEMENT OF FINANCIAL POSITION

### 1. Derivatives and other (liabilities)/ financial asset

	<i>Total contract nominal value (at contractual exchange rate)</i> VND million	<i>Total carrying value (at exchange rate as at reporting date)</i>	
		<i>Assets</i> VND million	<i>Liabilities</i> VND million
<b>Currency derivative instruments as at 31 December 2024</b>			
Forward contracts	-	-	-
Swap contracts	4,043,757	-	(6,768)
<b>Total</b>	<b>4,043,757</b>	<b>-</b>	<b>(6,768)</b>
<b>Net amount</b>			<b>(6,768)</b>
<b>Currency derivative instruments as at 31 December 2023</b>			
Forward contracts	11,907	57	-
Swap contracts	5,752,651	39,398	-
<b>Total</b>	<b>5,764,558</b>	<b>39,455</b>	<b>-</b>
<b>Net amount</b>		<b>39,455</b>	

### 2. Loans to customers

	<i>31 December 2024</i> VND million	<i>31 December 2023</i> VND million
Loans to domestic economic entities and individuals	167,702,005	141,428,637
Loans for discounted commercial bills and valuable papers	17,731	3,402
Payments on behalf of customers	18,097	6,238
Loans by grants and entrusted funds	164	164
	<b>167,737,997</b>	<b>141,438,441</b>

#### *Analysis of loans by quality*

	<i>31 December 2024</i> VND million	<i>31 December 2023</i> VND million
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
	<b>167,737,997</b>	<b>141,438,441</b>

#### *Analysis of loans by original terms*

	<i>31 December 2024</i> VND million	<i>31 December 2023</i> VND million
Short-term	91,523,999	77,393,620
Medium-term	27,730,309	20,841,076
Long-term	48,483,689	43,203,745
	<b>167,737,997</b>	<b>141,438,441</b>

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## 3. Provision for credit losses

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

	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total VND million</i>
<b>01 January 2024</b>	<b>490,407</b>	<b>1,053,393</b>	<b>1,543,800</b>
Provision charged to during the period	340,239	185,012	525,251
Provision used to write-off bad debts during the period	(3,944)	-	(3,944)
<b>31 December 2024</b>	<b>826,702</b>	<b>1,238,405</b>	<b>2,065,107</b>

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

	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total VND million</i>
<b>01 January 2023</b>	<b>359,510</b>	<b>884,718</b>	<b>1,244,228</b>
Provision charged to during the period	1,154,605	168,675	1,323,280
Provision used to write-off bad debts during the period	(1,023,708)	-	(1,023,708)
<b>31 December 2023</b>	<b>490,407</b>	<b>1,053,393</b>	<b>1,543,800</b>

## 4. Investment securities

### 4.1 Available-for-sale securities

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
<b>Debt securities</b>		
Government bonds	2,857,573	3,084,093
Bonds issued by other domestic credit institutions	7,290,000	9,582,574
Bonds issued by domestic economic entities	-	300,000
	<b>10,147,573</b>	<b>12,966,667</b>
<b>Equity securities</b>		
Equity securities issued by other domestic credit institutions	103,369	103,369
Equity securities issued by domestic economic entities	38,935	40,772
	<b>142,304</b>	<b>144,141</b>
	<b>10,289,877</b>	<b>13,110,808</b>
<b>Provision for available-for-sale securities</b>		
Diminution provision	(14,794)	(16,595)
General provision	-	(2,250)
	<b>(14,794)</b>	<b>(18,845)</b>
	<b>10,275,083</b>	<b>13,091,963</b>



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## 4.2 Held-to-maturity securities (excluding special bonds issued by VAMC)

	<u>31 December 2024</u> VND million	<u>31 December 2023</u> VND million
Government bonds	8,266,428	9,977,613
Bonds issued by other domestic credit institutions	<u>2,300,346</u>	<u>999,201</u>
	<b><u>10,566,774</u></b>	<b><u>10,976,814</u></b>

## 5. Long-term investments

	<u>31 December 2024</u> VND million	<u>31 December 2023</u> VND million
Investments in subsidiary	500,000	500,000
Other long-term investments	224,011	74,800
Provision for long-term investments	<u>(81,252)</u>	<u>-</u>
	<b><u>642,759</u></b>	<b><u>574,800</u></b>

## 6. Borrowings from the Government and State Bank

	<u>31 December 2024</u> VND million	<u>31 December 2023</u> VND million
Borrowing from State Bank	155	345
Borrowing through discount and rediscount of valuable papers	<u>2,577,456</u>	<u>-</u>
	<b><u>2,577,611</u></b>	<b><u>345</u></b>

## 7. Due to and borrowings from other credit institutions

### 7.1 Due to other credit institutions

	<u>31 December 2024</u> VND million	<u>31 December 2023</u> VND million
<b>Demand deposits</b>	<b>11,524,751</b>	<b>8,014,467</b>
In VND	11,524,068	8,014,467
In foreign currencies	683	-
<b>Term deposits</b>	<b>26,190,543</b>	<b>14,802,500</b>
In VND	24,141,000	13,834,500
In foreign currencies	<u>2,049,543</u>	<u>968,000</u>
	<b><u>37,715,294</u></b>	<b><u>22,816,967</u></b>

### 7.2 Borrowings from other credit institutions

	<u>31 December 2024</u> VND million	<u>31 December 2023</u> VND million
In VND	961,103	64,814
In foreign currencies	<u>518,761</u>	<u>1,139,581</u>
	<b><u>1,479,864</u></b>	<b><u>1,204,395</u></b>

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## 8. Due to customers

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
<b>Demand deposits</b>	<b>9,768,555</b>	<b>10,003,475</b>
Demand deposits in VND	9,555,963	9,638,382
Demand deposits in foreign currencies	212,592	365,093
<b>Term deposits</b>	<b>148,329,718</b>	<b>134,549,843</b>
Term deposits in VND	147,551,299	133,742,496
Term deposits in foreign currencies	778,419	807,347
<b>Deposits for specific purposes</b>	<b>497,745</b>	<b>769,691</b>
<b>Margin deposits</b>	<b>235,493</b>	<b>288,026</b>
	<b>158,831,511</b>	<b>145,611,035</b>

## 9. Valuable papers issued

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
<b>Certificate of deposits</b>	<b>16,046,940</b>	<b>14,748,868</b>
Less than 12 months	4,000,000	5,600,000
From 12 months to less than 5 years	489,410	4,905
From 5 years	11,557,530	9,143,963
<b>Bonds</b>	<b>3,960,000</b>	<b>3,710,000</b>
From 12 months to less than 5 years	2,500,000	1,600,000
From 5 years	1,460,000	2,110,000
	<b>20,006,940</b>	<b>18,458,868</b>

## 10. Other liabilities

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Internal payables	384,511	270,625
External payables	4,147,366	5,350,895
Bonus and welfare fund	106,888	53,478
	<b>4,638,765</b>	<b>5,674,998</b>

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## 11. Statutory obligations

	Movement during the period		31 December 2024 VND million
	01 January 2024 VND million	Payables VND million	
Value added tax	68,788	81,611	3,987
Corporate income tax	267,700	936,461	254,797
Other taxes	28,293	176,571	28,483
- License tax	-	144	-
- Personal income tax	25,204	161,685	25,042
- Withholding tax	3,089	14,742	3,441
Other taxes and fees	-	16,152	18
	<b>364,781</b>	<b>1,210,795</b>	<b>287,285</b>

## 12. Owners' equity

### 12.1 Statement of changes in equity

	Charter capital VND million	Share premium VND million	Other capital VND million	Fund for capital expenditure VND million	Reserves of credit institutions VND million	Retained earnings VND million	Total VND million
Net profit for the period	-	-	-	-	-	3,607,093	3,607,093
Increase in the year	3,145,090	-	-	-	-	-	3,145,090
Decrease in the year	-	(352)	-	-	-	(2,645,090)	(2,645,442)
Appropriation to reserves	-	-	-	-	726,661	(726,661)	-
Appropriation to bonus and welfare funds	-	-	-	-	-	(60,000)	(60,000)
31 December 2024	<b>13,725,506</b>	<b>63</b>	<b>25</b>	<b>10</b>	<b>2,145,882</b>	<b>3,388,537</b>	<b>19,260,023</b>

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## 12.2 Shares

	<u>31 December 2024</u> Shares	<u>31 December 2023</u> Shares
Number of registered shares	1,372,550,553	1,058,041,615
Number of shares issued	1,372,550,553	1,058,041,615
- Ordinary shares	1,372,550,553	1,058,041,615
Number of shares repurchased	-	-
- Ordinary shares	-	-
Number of outstanding shares	1,372,550,553	1,058,041,615
- Ordinary shares	1,372,550,553	1,058,041,615

## VI. NOTES TO SEPARATE INCOME STATEMENT

### 13. Interest and similar income

	<u>Current period</u> VND million	<u>Previous period</u> VND million
Interest income from deposit	618,022	616,668
Interest income from loans	15,437,773	17,246,142
Interest income from trading, investing debt securities	1,120,944	1,075,430
- Interest income from investing securities	1,120,944	1,075,430
Interest income from guarantee services	103,145	104,547
Other income from credit activities	131,821	295,553
	<b><u>17,411,705</u></b>	<b><u>19,338,340</u></b>

### 14. Interest and similar expenses

	<u>Current period</u> VND million	<u>Previous period</u> VND million
Interest expense on deposits	7,901,492	11,319,413
Interest expense on borrowings	214,617	213,260
Interest expense on valuable papers	1,326,634	1,094,283
Interest expense on finance lease	5,852	7,262
Expenses for other credit activities	73,089	92,468
	<b><u>9,521,684</u></b>	<b><u>12,726,686</u></b>

### 15. Net gain from trading of held-for-trading securities

	<u>Current period</u> VND million	<u>Previous period</u> VND million
Income from trading of held-for-trading securities	864	-
	<b><u>864</u></b>	<b><u>-</u></b>



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## 16. Net gain from trading investment securities

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
Income from trading of investment securities	120,898	70,892
Expenses from trading of investment securities	(1,162)	(42,385)
Provision reversed for investment securities	4,051	30,780
	<b>123,787</b>	<b>59,287</b>

## 17. Operating expenses

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
<b>Taxes, duties and fees</b>	<b>2,957</b>	<b>2,036</b>
<b>Personnel expenses</b>	<b>2,079,511</b>	<b>1,871,040</b>
Salary and allowances	1,843,999	1,691,461
Salary-related allowances	117,931	110,404
Allowances	1,263	443
Others	116,318	68,732
<b>Assets expenditure</b>	<b>722,132</b>	<b>640,155</b>
In which: Depreciation and amortization of fixed assets	174,840	145,665
<b>Administration expenses</b>	<b>865,548</b>	<b>773,718</b>
In which: Business expenses	24,201	18,932
Union expenses	2,653	43,385
<b>Insurance expenses for customer deposits</b>	<b>189,245</b>	<b>174,845</b>
<b>(Provision reversed)/Provision made</b> (excluding provision for credit losses, diminution provision)	<b>91,754</b>	<b>6,126</b>
<b>Operating expenses</b>	<b>-</b>	<b>-</b>
	<b>3,951,147</b>	<b>3,467,920</b>

## 18. Provision expense for credit losses

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
Provision made for loans to customer	525,251	1,323,280
Provision made for special bonds issued by VAMC	-	(475,750)
(Provision reversed)/ Provision made for receivables	(4,349)	274
	<b>520,902</b>	<b>847,804</b>

## II. OTHER INFORMATION

### 19. Related party transactions

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

<i>Related parties</i>	<i>Transactions</i>	<i>VND million</i>
Member of Board of Directors, Board of Supervision and Board of Management	Income	53
	Expense	(56,819)
Related companies and individuals	Income	3,779
	Expense	(4,406)
Subsidiary	Income	9
	Expense	(51,019)

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Receivables and payables with related parties at the end of the period as follow:

<i>Related parties</i>	<i>Transactions</i>	<i>VND million</i>
Member of Board of Directors, Board of Supervision and Board of Management	Deposits	(38,386)
	Loan	-
	Accrued interest expense on deposits	(154)
	Accrued interest income from loans	-
Related companies and individuals	Deposits	(66,429)
	Loan	59,214
	Accrued interest expense on deposits	(1,053)
	Accrued interest income from loans	251
Subsidiary	Deposits	(497,507)
	Accrued interest expense on deposits	(523)

## 20. Concentration of assets, liabilities and off-separate statement of financial position items by geographical regions

	<i>Domestic VND million</i>	<i>Overseas VND million</i>	<i>Total VND million</i>
<b>Assets at 31 December 2024</b>	<b>225,859,910</b>	<b>268,532</b>	<b>226,128,442</b>
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
Trading and investment securities - gross	20,856,651	-	20,856,651
Long-term investments - gross	724,011	-	724,011
<b>Liabilities at 31 December 2024</b>	<b>221,761,876</b>	<b>1,391,664</b>	<b>223,153,540</b>
Due to and borrowings from other credit institutions	38,878,871	316,287	39,195,158
Due to customers	158,831,511	-	158,831,511
Derivatives and financial instruments (Total transaction value amount to contract)	4,043,757	-	4,043,757
Grants, entrusted funds and loans exposed to risks	797	1,075,377	1,076,174
Valuable papers issued	20,006,940	-	20,006,940
<b>Off- separate statement of financial position commitments at 31 December 2024</b>	<b>16,090,557</b>	<b>-</b>	<b>16,090,557</b>



## VIII. FINANCIAL RISK MANAGEMENT

### 21. Financial risk management

Risk is inherent in the Bank's activities and is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk prevention within his or her responsibilities. The Bank are exposed to credit risk, liquidity risk and market risk (then being subdivided into trading and non-trading risks). The Bank is 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's policy is to monitor those business risks through the Bank's strategic planning process.

#### (i) Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks. However, each separate member shall be 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.

#### (iii) Risk Management Committee

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

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

Risk Management Committee reviews and evaluates the appropriateness and effectiveness of the risk management of procedures and policies of the Bank to make recommendations to the Board of Directors on 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.

#### (v) Internal Audit

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

#### (vi) Risk measurement and reporting systems

The Bank's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models.

Monitoring and controlling of risks is primarily performed based on limits established by the Bank in compliance with the State Bank of Vietnam's regulations. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept

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

For all levels throughout the Bank, specifically tailored risk reports are prepared and distributed in order to ensure that all business departments have access to extensive, necessary and up-to-date information.

## *(vii) Risk reduction*

The Bank has actively used collateral to mitigate credit risk.

## *(viii) Excessive risk concentration*

Concentrations arise when a number of counterparties of the Bank is 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's performance to the developments of a particular industry or geographic allocation.

In order to avoid excessive concentrations of risk, the Bank'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 in respect of the industries and other related factors.

## **22. Credit risk**

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Bank has established a credit quality review process to provide early identification of possible changes in the financial position and creditworthiness of counterparties based on regularly reviewing collateral. Counterparty's limits are established by the use of a credit rating system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision.



## 23. Market risk

### 23.1 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 is exposed to interest rate risk due to mismatches in maturity dates or dates of interest rate repricing for assets, liabilities, and off-statement of financial position instruments over a certain period. The Bank manages this risk by matching the dates of interest rate re-pricing of assets and liabilities through risk management strategies.

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

The re-pricing term of the effective interest rate is the remaining period from the date of the separate financial statements to the nearest re-pricing date of interest rate or the remaining contractual term, whichever is earlier.

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

- ▶ Cash and gold; due from the State Bank of Vietnam; trading securities, investment securities - equity securities; derivatives financial instruments; long-term investment and other assets (including fixed assets, investment properties and other assets) and other liabilities are classified as non-interest bearing items;
- ▶ The re-pricing term of investment securities – debt securities (excluding special bond issued by VAMC; loans to customers; due from and loans to other credit institutions; grants, entrusted funds and loans exposed to risks; borrowings from State Bank of Vietnam; 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 separate 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 separate statement of financial position date.

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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued) For the period from 01 January 2024 to 31 December 2024

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

	Overdue VND million	Non-interest bearing VND million	Up to 1 month VND million	Over 1 to 3 months VND million	Over 3 to 6 months VND million	Over 6 to 12 months VND million	Over 1 to 5 years VND million	Over 5 years VND million	Total VND million
<b>Assets</b>									
Cash and gold	-	1,148,489	-	-	-	-	-	-	1,148,489
Balances with the State Bank of Vietnam	-	13,632,932	-	-	-	-	-	-	13,632,932
Due from 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	180,643	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	-	724,011	-	-	-	-	-	-	724,011
Fixed assets	-	2,185,908	-	-	-	-	-	-	2,185,908
Other assets - gross	-	4,697,508	-	-	-	-	-	-	4,697,508
<b>Total assets</b>	<b>6,378,611</b>	<b>22,821,037</b>	<b>53,805,581</b>	<b>35,980,155</b>	<b>35,523,088</b>	<b>66,095,859</b>	<b>27,008,305</b>	<b>180,643</b>	<b>247,793,279</b>
<b>Liabilities</b>									
Due to and borrowings from SBV and other credit institutions	-	-	39,229,698	2,010,494	279,497	253,080	-	-	41,772,769
Due to customers	-	-	44,974,820	38,212,630	42,934,770	30,328,019	2,381,272	-	158,831,511
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	-	4,638,765	-	-	-	-	-	-	4,638,765
<b>Total liabilities</b>	<b>-</b>	<b>4,645,533</b>	<b>84,515,004</b>	<b>41,973,464</b>	<b>50,640,985</b>	<b>42,176,669</b>	<b>2,381,272</b>	<b>-</b>	<b>226,332,927</b>
<b>On-statement of financial position interest sensitivity gap</b>	<b>6,378,611</b>	<b>18,175,504</b>	<b>(30,709,423)</b>	<b>(5,993,309)</b>	<b>(15,117,897)</b>	<b>23,919,190</b>	<b>24,627,033</b>	<b>180,643</b>	<b>21,460,352</b>
<b>Off-statement of financial position commitment interest sensitivity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>On and off-statement of financial position interest sensitivity gap</b>	<b>6,378,611</b>	<b>18,175,504</b>	<b>(30,709,423)</b>	<b>(5,993,309)</b>	<b>(15,117,897)</b>	<b>23,919,190</b>	<b>24,627,033</b>	<b>180,643</b>	<b>21,460,352</b>



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## 23.2 *Currency risk*

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

The Bank is incorporated and operating in Vietnam with reporting currency as VND, the major currency of its transaction is also VND. Financial assets and financial liabilities of the Bank are denominated in VND, some are denominated in USD, EUR and gold. The Bank has set limits to control the positions of the currencies. Positions are monitored on a daily basis and hedging strategies are used to ensure positions of the currencies are maintained within the established limits.

Exchange rates of key foreign currencies at the reporting date at *Note IX*.

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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
<b>Assets</b>					
Cash and gold	5,545	127,908	566	5,381	139,400
Balances with the State Bank of Vietnam	-	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
<b>Total assets</b>	<b>9,682</b>	<b>2,722,015</b>	<b>566</b>	<b>65,432</b>	<b>2,797,695</b>
<b>Liabilities</b>					
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	-	1,075,378	-	-	1,075,378
Other liabilities	2	36,806	-	-	36,808
<b>Total liabilities</b>	<b>6,361</b>	<b>4,653,165</b>	<b>-</b>	<b>12,682</b>	<b>4,672,208</b>
<b>Foreign exchange position on-statement of financial position</b>	<b>3,321</b>	<b>(1,931,150)</b>	<b>566</b>	<b>52,750</b>	<b>(1,874,513)</b>
<b>Foreign exchange position off-statement of financial position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Foreign exchange position on and off-statement of financial position</b>	<b>3,321</b>	<b>(1,931,150)</b>	<b>566</b>	<b>52,750</b>	<b>(1,874,513)</b>



## 23.3 *Liquidity risk*

Liquidity risk is the risk which the Bank has difficulties in meeting the obligations of financial liabilities. Liquidity risk occurs when the Bank cannot afford to settle debt obligations at the due dates in the normal or stress conditions. To manage the liquidity risk exposure, the Bank has diversified the mobilization of deposits from various sources in addition to its basic capital resources. In addition, the Bank has established policy for control of liquidity assets flexibly, monitor the future cash flows and daily liquidity. The Bank has 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 as calculated from the separate 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 maturity of the Bank's assets and liabilities:

- ▶ Balances with the SBV are classified as demand deposits which considered within one (1) month, include compulsory deposits;
- ▶ The maturity term of held-for-trading securities; investment securities - debt securities is calculated based on the maturity date of each kind of securities; investment securities - listed equity securities is considered within one (1) month because of their high liquidity;
- ▶ The maturity term of due to the SBV; grants, entrusted funds and loans exposed to risks; valuable papers issued; due from and loans to other credit institutions, loans to customers is determined based on the maturity date as stipulated in contracts. The actual maturity term may be altered because loan contracts may be extended;
- ▶ The maturity term of long-term investments is considered as more than five (5) years because these investments do not have specific maturity date;
- ▶ The maturity term of due to and borrowings from other credit institutions, derivatives, other financial liabilities and due to customers are determined based on features of these items or the maturity date as stipulated in contracts. Vostro account and demand deposits are transacted as required by customers, and therefore, 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, they may last 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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The following table presents assets and liabilities maturity from the Bank 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	Over 1 to 3 months VND million	Over 3 to 12 months VND million	Over 1 to 5 years VND million	Above 5 years VND million	
<b>Assets</b>								
Cash and gold	-	-	1,148,489	-	-	-	-	1,148,489
Balances with the State Bank of Vietnam	-	-	13,632,932	-	-	-	-	13,632,932
Due from and loans to other credit institutions - gross	-	-	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	-	-	-	-	-	-	724,011	724,011
Fixed assets	-	-	356,464	1,159	12,060	369,968	1,446,257	2,185,908
Other assets - gross	-	-	1,186,152	625,940	1,392,775	1,161,953	330,688	4,697,508
<b>Total assets</b>	<b>3,908,979</b>	<b>2,469,632</b>	<b>59,295,195</b>	<b>17,494,901</b>	<b>73,481,202</b>	<b>32,678,886</b>	<b>58,464,484</b>	<b>247,793,279</b>
<b>Liabilities</b>								
Due to and borrowings from SBV and other credit institutions	-	-	39,412,911	2,000,000	319,549	40,245	64	41,772,769
Due to customers	-	-	44,974,821	38,212,630	73,262,788	2,381,272	-	158,831,511
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	-	-	1,905,354	850,686	1,843,682	38,983	60	4,638,765
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>86,297,725</b>	<b>41,565,391</b>	<b>80,207,423</b>	<b>13,569,534</b>	<b>4,692,854</b>	<b>226,332,927</b>
<b>Net liquidity gap</b>	<b>3,908,979</b>	<b>2,469,632</b>	<b>(27,002,530)</b>	<b>(24,070,490)</b>	<b>6,726,221</b>	<b>19,109,352</b>	<b>53,771,630</b>	<b>21,460,352</b>



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## 22.4 Market price of risk

Except for the assets and liabilities described above, the Bank does not have other market price of risks with a risk level of 5% of net profit or the value of assets and liabilities for 5% of total assets.

## IX. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AT THE END OF THE PERIOD

	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. Vo Hoang Hai  
Deputy General Director

Ho Chi Minh City, Vietnam

23 January 2025

