

National Citizen Commercial Joint Stock Bank

Consolidated financial statements

For the period from 1 January 2024 to 31 December 2024



National Citizen Commercial Joint Stock Bank

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National Citizen Commercial Joint Stock Bank

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	<i>Notes</i>	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
ASSETS			
Cash and gold	5	296,645	248,513
Balances with the State Bank of Vietnam ("SBV")	6	3,507,305	2,287,057
Balances with and loans to other credit institutions ("CIs")	7	15,073,929	8,460,903
Balances with other CIs		15,073,929	8,460,903
Loans to customers		69,978,404	54,266,164
Loans to customers	8	71,174,720	55,344,259
Provisions for loans to customers	9	(1,196,316)	(1,078,095)
Investment securities	10	18,718,304	13,111,761
Available-for-sale securities		4,550,275	7,736,856
Held-to-maturity securities		14,325,518	5,652,828
Provisions for investment securities		(157,489)	(277,923)
Capital contributions, long-term investments	11	371,244	654,682
Other long-term investments		719,600	719,600
Provisions for loss on capital contributions and long-term investments		(348,356)	(64,918)
Fixed assets		922,110	785,746
Tangible fixed assets	12	208,567	171,708
Cost		397,059	363,648
Accumulated depreciation		(188,492)	(191,940)
Intangible fixed assets	13	713,543	614,038
Cost		849,448	735,147
Accumulated amortization		(135,905)	(121,109)
Other assets	14	9,630,775	16,434,673
Receivables		8,128,419	10,601,989
Accrued interest and fee receivables		499,530	3,569,597
Other assets		2,682,266	2,482,357
Provisions for other assets		(1,679,440)	(219,270)
TOTAL ASSETS		118,498,716	96,249,499

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

	<i>Notes</i>	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
LIABILITIES AND OWNERS' EQUITY			
Deposits and borrowings from other	15	10,036,450	9,030,301
Deposits from other CIs		10,036,450	9,030,301
Borrowings from other CIs		-	-
Deposits from customers	16	96,117,186	76,850,214
Derivatives and other financial liabilities	17	86,313	26,407
Borrowed and entrusted funds	18	11,150	16,658
Valuable papers issued	19	4,304,643	3,166,906
Other liabilities	20	1,850,128	2,064,341
Interest and fee payables		1,186,011	1,806,629
Other payables and liabilities		664,117	257,712
TOTAL LIABILITIES		112,405,870	91,154,827
OWNERS' EQUITY			
Capital		11,749,988	5,571,911
Charter capital		11,779,848	5,601,555
Share premium		(216)	-
Treasury shares		(29,644)	(29,644)
Reserves		106,551	157,516
Retained earnings		(5,763,693)	(634,755)
Current year retained earnings		(5,128,938)	(669,556)
Previous year retained earnings		(634,755)	34,801
TOTAL OWNERS' EQUITY	22	6,092,846	5,094,672
TOTAL LIABILITIES AND OWNERS' EQUITY		118,498,716	96,249,499

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

OFF BALANCE SHEET ITEMS

	Notes	31 December 2024 VND million	31 December 2023 VND million
Loan guarantees		28,644	28,644
Foreign exchange commitments		13,317,723	4,438,665
Foreign currency purchase commitments		1,397,853	-
Foreign currency sale commitments		889,543	72,765
Swap commitments		11,030,327	4,365,900
Letters of credit		204,014	417,270
Other guarantees		5,435,176	2,871,193
Other commitments		8,838,410	4,442,664
Uncollected loan interest and fees		20,038,887	10,090,644
Written-off bad debts		1,601,096	978,304
Other assets and documents in custody		55,128,422	23,992,325

Hanoi, 24 January 2025

Prepared by:



Ms. Do Quynh Trang
Head of General accounting
department

Reviewed by:



Ms. Bui Thi Khanh Van
Chief Accountant

Approved by:



Mr. Ta Kieu Hung
Chief Executive Officer

CONSOLIDATED INCOME STATEMENT
for the period from 01 January 2024 to 31 December 2024

	Notes	Quarter IV		For the period from 01 January to 31 December	
		2024	2023	2024	2023
		VND million	VND million	VND million	VND million
Interest and similar income	23	(1,285,225)	1,434,361	2,928,691	6,433,619
Interest and similar expenses	24	(1,265,744)	(1,454,988)	(4,710,884)	(5,976,390)
Net interest income		(2,550,969)	(20,627)	(1,782,193)	457,229
Fee and commission income		46,862	30,763	165,438	102,350
Fee and commission expenses		(34,757)	(19,063)	(90,470)	(68,832)
Net fee and commission income	25	12,105	11,700	74,968	33,518
Net gain/ (loss) from trading of foreign currencies		34,163	35,436	125,512	202,454
Net gain/ (loss) from trading of investment securities	26	4,881	8,749	131,422	160,484
Other income		11,740	34,824	67,669	82,286
Other expenses		(36,876)	(80,118)	(89,876)	(216,819)
Net income from other activities	27	(25,136)	(45,294)	(22,207)	(134,533)
Operating expenses	28	(2,380,478)	(342,281)	(3,392,048)	(1,238,721)
Net operating profit before allowance and provision expenses		(4,905,434)	(352,317)	(4,864,546)	(519,569)
Provision expenses for credit losses	29	(165,012)	(83,629)	(263,544)	(146,950)
Profit before tax		(5,070,446)	(435,946)	(5,128,090)	(666,519)
Current income tax expense		895	(263)	(848)	(3,037)
Income tax expense	21	895	(263)	(848)	(3,037)
Profit after tax		(5,069,551)	(436,209)	(5,128,938)	(669,556)

Hanoi, 24 January 2025

Prepared by:



Ms. Do Quynh Trang
Head of General accounting
department

Reviewed by:



Ms. Bui Thi Khanh Van
Chief Accountant

Approved by:



Mr. Ta Kieu Hung
Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT
for the period from 01 January 2024 to 31 December 2024

	Notes	From 01/01/2024 to 31/12/2024 VND million	From 01/01/2023 to 31/12/2023 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar income received		6,006,021	4,379,491
Interest and similar expensed paid		(5,429,812)	(5,803,178)
Net fee and commission income received		72,035	33,728
Net payments for/receipts from trading activities of foreign currencies and securities		335,270	362,938
Other income received		70,998	(24,558)
Receipts from recovery of bad debts previously written off		1,531	239
Payments for operating and salary expenses		(1,209,840)	(880,281)
Income tax paid during the period	21	(175)	(3,907)
Net cash flows from operating activities before changes in operating assets and liabilities		(153,972)	(1,935,528)
Changes in operating assets			
(Increase)/ decrease in balances with and loan to other CIs		-	-
(Increase)/ decrease in investment securities		(5,486,109)	(1,505,558)
(Increase)/ decrease in derivatives and other financial assets		-	223,373
(Increase)/ decrease in loans to customers		(15,830,461)	(7,621,986)
Decrease in provision for credit losses		(275,190)	(192,553)
Other (increase)/ decrease in operating assets		1,816,935	(445,347)
Changes in operating liabilities			
Increase/ (decrease) in borrowings from the Government and the SBV		-	-
Increase/ (decrease) in deposits and borrowings from other CIs		1,006,149	513,057
Increase/ (decrease) in deposits from customers		19,266,972	5,499,885
Increase/ (decrease) in valuable papers issued (except for valuable papers issued for financing activities)		1,137,737	1,170,151
Increase/ (decrease) in borrowed and entrusted funds		(5,508)	(5,582)
Increase/ (decrease) in derivatives and other financial liabilities		59,906	26,407
Other increase/ (decrease) in operating liabilities		403,568	(406,392)
Use of reserves		(50,965)	-
Net cash flows from operating activities		1,889,062	(4,680,073)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
for the period from 01 January 2024 to 31 December 2024

	Notes	From 01/01/2024 to 31/12/2024 VND million	From 01/01/2023 to 31/12/2023 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases of fixed assets		(184,977)	(105,463)
Proceeds from disposals of fixed assets		1,602	1,370
Payments for disposals of fixed assets		(2,358)	(11,775)
Dividends and profits received from long-term investments and capital contributions		-	-
Net cash flows from investing activities		(185,733)	(115,868)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in share capital due to capital contribution and/ or share issuance		6,178,077	-
Net cash flows from financing activities		6,178,077	-
Net cash flows during the period		7,881,406	(4,795,941)
Cash and cash equivalents at the beginning of the period	31	10,996,473	15,792,414
Cash and cash equivalents at the end of the period	31	18,877,879	10,996,473

Hanoi, 24 January 2025

Prepared by:



Ms. Do Quynh Trang
Head of General accounting
department

Reviewed by:



Ms. Bui Thi Khanh Van
Chief Accountant

Approved by:



Mr. Ta Kieu Hung
Chief Executive Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

1. GENERAL INFORMATION

National Citizen Commercial Joint Stock Bank ("the Bank") is a joint stock commercial bank established and registered in the Socialist Republic of Viet Nam.

1.1. Establishment and Operations

The National Citizen Commercial Joint Stock Bank was renamed from Nam Viet Commercial Joint Stock Bank on 06 May 2014. Previously, the Bank was known as Song Kien Commercial Joint Stock Bank, a joint stock bank established under License No. 00057/NH-GP dated 18 September 1995 issued by the State Bank of Vietnam, replaced by License No. 12/GP-NHNN issued by the State Bank of Vietnam on 10 March 2023, and Establishment License No. 1217/GP-UB issued by the People's Committee of Kien Giang Province on 17 October 1995. The establishment and operation License No. 12/GP-NHNN dated 10 March 2023 was amended in Article 2 regarding charter capital according to Decision No. 2722/QD-NHNN dated 20 December 2024. The Bank operates its business under Business Registration Certificate No. 1700169765 issued by the Hanoi Department of Planning and Investment (initially registered under business registration certificate number 050046 dated 02 November 1995 by the Kien Giang Provincial Planning Committee), with the 22nd amendment to the Business Registration Certificate dated 02 August 2023.

The principal activities of the Bank are mobilizing and receiving short, medium and long-term deposit funds from organizations and individuals; lending on short, medium and long-term basis up to the nature and ability of the Bank's capital resources; conducting settlement and cash services and other banking services as approved by the SBV; conducting investments in subsidiaries, associates, joint-ventures and other companies; conducting investments in bonds and dealing in foreign exchange in accordance with applicable regulations.

1.2. Structure of Ownership: Share capital**1.3. The Board of Directors**

Members of the Board of Directors for the period from 01 January 2024 to 31 December 2024 and up to the date of these consolidated financial statements are as follows:

Name	Position
Ms. Bui Thi Thanh Huong	Chairwoman
Ms. Hoang Thu Trang	Vice Chairwoman
Mr. Duong The Bang	Member
Ms. Nguyen Thi Hai Hoa	Member
Ms. Trinh Thanh Mai	Independent Member

1.4. The Board of Supervisory

Members of the Board of Supervisory for the period from 01 January 2024 to 31 December 2024 and up to the date of these consolidated financial statements are as follows:

Name	Position
Ms. Do Thi Duc Minh	Head of the Board of Supervision
Mr. Nguyen Van Quang	Member
Ms. Vu Kim Phuong	Member

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

1. GENERAL INFORMATION (continued)

1.5. The Board of Management

Members of the Board of Management for the period from 01 January 2024 to 31 December 2024 and up to the date of these consolidated financial statements are as follows:

<i>Name</i>	<i>Position</i>
Mr. Ta Kieu Hung	Chief Executive Officer ("CEO")
Ms. Pham Thi Hien	Deputy CEO
Ms. Vo Thi Thuy Duong	Deputy CEO (From 19 February 2024)
Mr. Nguyen Viet Hoi	Deputy CEO in charge of Southern region (From 22 July 2024)

1.6. Legal representative

The legal representative of the Bank is Ms. Bui Thi Thanh Huong - Chairwoman.

According to Authorization No. 55/2023/QĐ-CTHDQT dated 21 April 2023, Ms. Bui Thi Thanh Huong authorized Mr. Ta Kieu Hung - CEO to sign the consolidated financial statements for the period from 01 January 2024 to 31 December 2024.

1.7. Location and network

The Bank's Head Office is located at 25 Le Dai Hanh, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi.

As at 31 December 2024, the Bank has one (1) Head Office, twenty-two (22) branches and one (1) subsidiary. The branches are located in the Northern, Central, and Southern regions.

1.8. Subsidiary

National Citizen Bank Debt Management and Asset Exploitation Company Limited ("NCB AMC") was established under Decision No. 2406/QĐ-NHNN dated 19 December 2006 by the State Bank of Vietnam. The company operates under Business Registration Certificate No. 0304767745, amended for the 14th time on 19 February 2024, issued by the Hanoi Department of Planning and Investment, with a 100% capital contribution from National Citizen Commercial Joint Stock Bank ("NCB AMC").

Its main business activities include receiving and handling the outstanding debts of National Citizen Commercial Joint Stock Bank and the collateral assets related to these debts to handle and collect as quickly as possible.

1.9. Total employees

As at 31 December 2024, the Bank has 2,085 employees (31 December 2023: 1,973 employees).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

2.1. Accounting period

The Bank's annual accounting period starts on 01 January and ends on 31 December.

2.2. Accounting currency

The Bank's financial statements are presented in Vietnamese Dong ("VND"). All figures are rounded to the nearest VND million for the consolidated financial statements.

3. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES

3.1. Statement of compliance

The Bank's Board of Management commits to preparing the consolidated financial statements in compliance with Vietnamese Accounting Standards, the Financial Reporting Regime for Credit institutions, the regulations of the State Bank of Vietnam, and relevant legal provisions related to the preparation and presentation of consolidated financial statements.

Accordingly, the consolidated statement of financial position, consolidated income statement, consolidated statement of cash flows, and the accompanying notes to the consolidated financial statements are presented herewith. The use of these statements is not intended for users who are not provided with information about the procedures, principles, and accounting practices in Vietnam and is not intended to present the consolidated financial position, consolidated results of operations, and consolidated cash flows in accordance with generally accepted accounting principles and practices in other countries and territories outside of Vietnam.

3.2. Basis of preparation

The consolidated financial statements of the Bank are prepared in accordance with the Accounting System for credit institutions under Decision No. 479/2004/QĐ-NHNN dated 29 April 2004, Circular No. 10/2014/TT-NHNN dated 20 March 2014, Circular No. 22/2017/TT-NHNN dated 29 December 2017, and Circular No. 27/2021/TT-NHNN dated 31 December 2021 amending and supplementing Decision No. 479/2004/QĐ-NHNN; Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, Circular No. 49/2014/TT-NHNN amending and supplementing certain provisions of the Financial Reporting Regime for credit institutions issued with Decision No. 16/2007/QĐ-NHNN, and the Accounting System for credit institutions issued with Decision No. 479/2004/QĐ-NHNN by the Governor of the State Bank of Vietnam, and the Vietnamese Accounting Standards issued by the Ministry of Finance, including:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

3. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES (continued)

3.3. Basis of consolidation of financial statements

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date that such control ceases. In case the Bank divests its equity interest in a subsidiary resulting in loss of control over the subsidiary, the Bank only consolidates the financial result of the subsidiary from the beginning of the period up to the date of the divestment without consolidating the net assets of the subsidiary. Furthermore, the Bank makes adjustments of indirect impact of the divestment transactions on the consolidated cash flow statement.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of the profit or loss and net assets not held by the Bank and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position.

3.4. Basis of assumptions and uses of estimates

The presentation of the consolidated financial statements requires the Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent liabilities. These estimates and assumptions also affect the reported amounts of income, expenses, and provisions. These estimates are based on assumptions about several factors with varying degrees of subjectivity and uncertainty. Therefore, actual results may differ, leading to adjustments to the related items in the future.

3.5. Accounting policies for items under the Restructuring Plan for the period 2023-2025 period and the orientation towards 2030

Implementing the "Scheme for Restructuring the System of Credit Institutions in Association with Handling Bad Debts for the 2021-2025 Period" issued under Decision No. 689/QĐ-TTg dated 08 June 2022 by the Prime Minister, based on the approval contents and opinions of the State Bank of Vietnam under Official Letter 62/NHNN-TTGSNH dated 07 February 2024 ("Official Letter 62"), the Bank has completed the construction and approval of the Restructuring Plan for the period 2023-2025 and orientation towards 2030 ("Restructuring Plan") according to Resolution No. 1429/2024/NQ-HĐQT dated 28 June 2024, in accordance with the law, and reported to the State Bank of Vietnam.

In the Restructuring Plan for the period 2023-2025 and orientation towards 2030, the Bank has comprehensively presented the current status of the Bank's operations in various aspects: internal control system, information technology infrastructure, asset quality, financial status, identification of problematic debts requiring appropriate handling mechanisms; based on this, determining comprehensive and overall objectives and solutions, including (1) financial solutions: increasing charter capital; handling and recovering bad debts and outstanding assets; (2) solutions for additional risk provisioning and reversing accrued interest; and (3) solutions for developing safe business operations, aiming to thoroughly address existing issues and enhance the Bank's operational efficiency, ensuring the Bank's healthy, safe, and sustainable development.

The content of the Restructuring Plan for the 2023-2025 Period and Orientation towards 2030 approved and implemented according to Resolution No. 1429/2024/NQ-HĐQT is the basis for recognizing, evaluating, and presenting related items in these consolidated financial statements and is specifically presented in Note 30.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. *Changes in accounting policies and disclosures*

The accounting policies adopted by the Bank in the preparation of these separate financial statements are consistent with those used in the preparation of the separate financial statements for the year ended 31 December 2024, except for the following changes:

Law on Credit Institutions (Law No. 32/2024/QH15) dated 18 January 2024 and Circular No. 21/2024/TT-NHNN dated 28 June 2024 ("Circular 21")

According to the provisions of the Law on Credit Institutions and Circular 21, effective from 01 July 2024, credit letter operations are defined as a form of credit granting through the issuance, confirmation, negotiation, payment, and reimbursement of credit letters. According to the transitional provisions of the Law on Credit Institutions and Circular 21: "Contracts, agreements, commitments, and other transactions related to credit letter operations signed or agreed upon before the effective date of Circular 21 shall continue to be performed and monitored by the bank and customers until the expiration of their validity and the obligations of the parties involved are fulfilled. Amendments, supplements, or extensions of contracts, agreements, commitments, and other transactions shall only be made if the content of the amendments, supplements, or extensions complies with the provisions of Circular 21.". The Bank has accounted for this transitional provision accordingly.

Circular No. 31/2024/TT-NHNN dated 30 June 2024 ("Circular 31") replaces Circular No. 11/2021/TT-NHNN dated 30 July 2021 ("Circular 11")

On 30 June 2024, the State Bank of Vietnam issued Circular 31 prescribing classification of assets in operations of commercial banks, non-bank credit institutions and foreign bank branches. This Circular takes effect from 01 July 2024, replacing Circular 11.

Circular No. 31/2024/TT-NHNN dated 30 June 2024 ("Circular 31") replaces Circular No. 11/2021/TT-NHNN dated 30 July 2021 ("Circular 11")

On 30 June 2024, the State Bank of Vietnam issued Circular 31 prescribing classification of assets in operations of commercial banks, non-bank credit institutions and foreign bank branches. This Circular takes effect from 01 July 2024, replacing Circular 11.

Decree 86/2024/ND-CP dated 11 July 2024 ("Decree 86")

On 11 July 2024, the Government issued Decree 86 providing for amounts and methods of establishing risk provisions and use of provisions for management of risks arising from operations of credit institutions and foreign bank branches and cases in with credit institutions allocate forgivable interest. This decree takes effect from 11 July 2024.

Circular No. 53/2024/TT-NHNN dated 04 December 2024 ("Circular 53")

On 04 December 2024, the State Bank of Vietnam issued Circular 53 regulating the restructuring of debt repayment terms for customers facing difficulties due to the impact and damage of Typhoon No. 3, floods, landslides after Typhoon No. 3. This circular takes effect from 04 December 2024.

Decision No. 1510/QĐ-TTg dated 04 December 2024 ("Decision 1510")

On 04 December 2024, the Prime Minister issued Decision 1510 regulating the classification of assets, provision rate, methods of risk provisions, and the use of provisions to handle risks for debts of customers facing difficulties due to the impact and damage of Typhoon No. 3. This decision takes effect from 04 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2. Foreign currency conversion

All transactions of the Bank are accounted for in their original currencies. At the end of the accounting period, assets and liabilities denominated in foreign currencies are translated into VND at the exchange rate on the date of the consolidated financial statement (*Note 36*). Income and expenses in foreign currencies of the Bank are translated into VND at the exchange rate on the date of the transaction.

Exchange rate differences resulting from the revaluation of assets and liabilities in foreign currencies into VND during the period are recorded and monitored in the item "Exchange rate differences" in the "Owners' Equity" section of the consolidated financial statement and are fully transferred to the consolidated income statement at the end of the accounting period.

4.3. Cash and cash equivalent

Cash and cash equivalents comprise cash, gold, balances with the SBV, treasury bills and other short-term valuable papers eligible for rediscount with the SBV, balances with other financial institutions and other CIs that are without a term and mature not exceeding three (03) months from the transaction date and securities with recovery or maturity of three (03) months or less from date of purchase.

4.4. Balances with and loans to other CIs

Deposits and loans to other credit institutions are disclosed and presented at their principal balances at the end of the accounting period.

The classification of credit risk for deposits and loans to other credit institutions and the corresponding provisioning is carried out in accordance with Circular 31 and Decree 86.

Accordingly, the Bank makes specific provisions for deposits (excluding demand deposits at credit institutions, foreign bank branches, deposits at social policy banks as per the regulations of the Governor of the State Bank of Vietnam regarding state credit institutions maintaining deposit balances at social policy banks) at credit institutions, foreign bank branches in accordance with the law, and deposits (excluding demand deposits at foreign credit institutions) as per the method stated in *Note 4.6*.

According to Decree 86, the Bank is not required to make general provisions for the above-mentioned deposits and loans.

4.5. Loans to customers

Loans to customers are presented on the consolidated statement of financial position at their principal balances, less the provision for loan losses as of the reporting date.

The provision for credit risk of loans to customers is accounted for and presented as a separate line item on the consolidated statement of financial position.

Short-term loans are loans with a term of up to 01 year from the disbursement date. Medium-term loans have a term of over 01 year to 05 years, and long-term loans have a term of over 05 years from the disbursement date.

The classification of loans and provisioning for credit risk is carried out in accordance with Circular 31 and Decree 86 as presented in *Note 4.6*.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6. Debt classification and provisions for credit risk

The Bank applies the quantitative method prescribed in Article 10 of Circular 31 in classifying debts for assets (hereinafter referred to as "debts") including:

- Lending;
- Financial leasing;
- Discounting and rediscounting of negotiable instruments and other valuable papers;
- Factoring;
- Credit extension by issuance of credit cards;
- On-behalf payments under off-balance sheet commitments (including payments made on behalf of customers to fulfill their obligations under guarantee agreements and in letter of credit (L/C) operations (except for the cases specified in point n of this Clause) and other on-behalf payments under off-balance sheet commitments);
- Purchase and entrusted purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on securities market or have not yet been registered for trading on the UPCoM trading system (hereinafter referred to as "unlisted bonds"), excluding the purchase of unlisted bonds with trusted funds to which the trustee bears the risk;
- Entrustment for credit extension;
- Making deposits (except for demand deposits made at credit institutions and foreign bank branches ("FBBs"), deposits made at social policy banks in accordance with regulations of the Governor of the State Bank of Vietnam on state-owned credit institutions' maintenance of balance of deposits at social policy banks) at credit institutions and FBBs as prescribed by law, and making deposits (except for demand deposits) at overseas credit institutions;
- Buying and selling debts according to regulations of the State Bank of Vietnam (hereinafter referred to as "SBV"), except for bad debt buying and selling transactions conducted between credit institutions or FBBs and Vietnam Asset Management Company ("VAMC");
- Repos of government bonds on securities market in accordance with regulations of law on issuance, registration, depositing, listing and trading of government debt instruments on securities market;
- Purchase of certificates of deposit issued by other credit institutions and FBBs;
- Issuance of deferred payment L/Cs containing a provision that the beneficiary is entitled to receive sight payment or advanced payment before the L/C due date, and L/C reimbursement in the form of an agreement with the customer to make payment using the reimbursing bank's funds from the date on which the reimbursing bank pays the beneficiary; L/C payment by negotiation;
- Outright purchase without recourse of sets of documents presented under L/Cs, except where a commercial bank or FBB buys outright a set of documents presented under an L/C which it issued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6. Debt classification and provisions for credit risk (continued)

General provision

According to Article 7 of Decree 86, the general provision amount shall account for 0.75% of total outstanding balance of debts classified into groups 1 to 4, except the following:

- Deposits made at CIs and FBBs in accordance with regulations of law and at overseas CIs;
- Loans, forwards of valuable papers between CIs and FBBs in Vietnam;
- Purchases of certificates of deposit or bonds issued by CIs and FBBs onshore.
- Repos of government bonds on the securities market in accordance with law on issuance, registration, depositing, listing and trading of government debt instruments on securities market;
- Other debts derived from the operations specified in clause 2 Article 3 of this Decree between CIs and FBBs in Vietnam as prescribed by law.

General provision is monthly calculated and recognized in the Bank's consolidated income statement.

Specific provision

Specific provision is made on monthly basis and recorded in the Bank's consolidated income statement.

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

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

Group		Description	Provision rate
1	Current	(a) Any unmatured debt both principal and interest of which are rated likely to be fully recovered by due date; (b) Any debt which is less than 10 days past due and whose overdue principal and interest are rated likely to be fully recovered while its remaining principal and interest are rated likely to be fully recovered by due date;	0%
2	Special mention	(a) Debts are overdue for a period of between 10 days and 90 days; or (b) Debts that the repayment terms are restructured for the first time.	5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6. Debt classification and provisions for credit risk (continued)

Group	Description	Provision rate
3	<p>Sub-standard</p> <p>(a) Debts are overdue for a period of between 91 days and 180 days; or</p> <p>(b) Debts that the repayment terms are extended for the first time; or</p> <p>(c) Debts that interests are exempted or reduced because customers do not have sufficient capability to repay all interests under credit contracts; or</p> <p>(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:</p> <ul style="list-style-type: none"> - A debt violating provisions of clauses 1, 3, 4, 5, 6 Article 134 of the Law on Credit Institutions; - A debt violating provisions of clauses 1, 2, 3, 4 Article 135 of the Law on Credit Institutions; - A debt violating provisions of clauses 1, 2, 5, 9 Article 136 of the Law on Credit Institutions; <p>(e) Debts are required to be recovered according to regulatory inspection conclusions.</p> <p>(f) Debts are required to be recovered according to the Banks' decision on early recovery due to customers' breach of agreements but have not yet been recovered in 30 days from the issuance date of the decision; or</p> <p>(g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.</p>	20%
4	<p>Doubtful</p> <p>(a) Debts are overdue for a period of between 181 days and 360 days; or</p> <p>(b) Debts that the repayment terms are restructured for the first time but still overdue for a period of 90 days under that restructured repayment term; or</p> <p>(c) Debts that the repayment terms are restructured for the second time; or</p> <p>(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</p> <p>(e) Debts are required to be recovered according to regulatory inspection conclusions but still overdue for a period up to 60 days since the recovery date as required by regulatory inspection conclusions.</p> <p>(f) Debts are required to be recovered according to the Banks' decision on early recovery due to customers' breach of agreements but have not yet been recovered for a period of between 30 days and 60 days from the issuance date of the decision; or</p> <p>(g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.</p>	50%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6. Debt classification and provisions for credit risk (continued)

Group	Description	Provision rate
5	Loss (a) Debts are overdue for a period of more than 360 days; or (b) Debts that the repayment terms are restructured for the first time but still overdue for a period of 91 days or more under that first restructured repayment term; or (c) Debts that the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts that the repayment terms are restructured for the third time or more, regardless of being overdue or not; or (e) Debts are specified in Point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts are required to be recovered under regulatory inspection conclusions but still overdue for a period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or (g) Debts are required to be recovered according to the Banks' decision on early recovery 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 (h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are suspended. (i) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.	100%

For payments on behalf arising from off-balance sheet commitments, the Bank classifies loans based on overdue days starting from the date when the Bank committed obligation:

- ▶ Group 3 – Sub-standards: overdue for less than 30 days;
- ▶ Group 4 – Doubtful: overdue for between 30 days and 90 days;
- ▶ Group 5 – Loss: overdue for 90 days or more.

When a customer has more than one debt with the Bank and any of the outstanding debts is classified into a higher risk group, the Bank is required to classify the entire remaining debts of such customer into the corresponding higher risk group.

If a customer's debts with the Bank are classified into a lower risk group than the loan group provided by the National Credit Information Center of Vietnam ("CIC"), the Bank is required to adjust the classification of such customer into the corresponding higher risk group according to classification result from CIC.

When the Bank participates in a syndicated loan as a participant, the Bank classifies loans (including syndicated loans) of the customer into the higher of the risk group assessed by the leading bank and by the Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6. Debt classification and provisions for credit risk (continued)

From 13 March 2020 to 30 June 2022, the Bank applied the policy of loan restructuring, interest and/or fees exemption or reduction and loan classification retention for loans that meet conditions according to Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01"), Circular No. 03/2021/TT-NHNN ("Circular 03") dated 02 April 2021 and Circular No. 14/2021/TT-NHNN ("Circular 14") dated 07 September 2021 issued by the State Bank of Vietnam providing regulations on loan restructuring, interest and/or fees exemption or reduction and loan classification retention to assist customers affected by the COVID-19 pandemic.

From 24 April 2023, the Bank applied the policy of restructuring and loan classification retention to support customers facing difficulties in production and business activities and customers facing difficulties in repaying loans for living and consumption needs. This policy aligns with the conditions set forth in Circular No. 02/2023/TT-NHNN ("Circular 02") dated 23 April 2023, and Circular No. 06/2024/TT-NHNN ("Circular 06") dated 18 June 2024, amending and supplementing a number of articles of Circular No. 02 issued by the State Bank of Vietnam regulating credit institutions to support customers facing difficulties in production and business activities and customers facing and foreign bank branches to restructure the debt repayment period and maintain the debt group difficulties in repaying loans for living and consumption needs.

From 04 December 2024, the Bank has applied policies to restructure debt repayment terms and maintain debt classification to support customers meeting the requirements of Circular 53 and Decision 1510, which regulate the restructuring of debt repayment terms and maintaining debt classification to support customers facing difficulties due to the impact and damage of Typhoon No. 3.

4.7. Investment securities

4.7.1. Classification

Investment securities include available-for-sale investment securities and held-to-maturity investment securities. The Bank initially recognizes investment securities at cost and classifies investment securities into proper categories at purchase date. According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, for investment securities, the Bank is allowed to reclassify maximum of one time after initial recognition.

Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities with fixed maturities and fixed or determinable payments, where the Bank has positive intention and ability to hold until maturity.

Available-for-sale investment securities

Available-for-sale investment securities are debt securities which are held for an indefinite period and may be sold at any time.

4.7.2. Recognition

The Bank recognizes investment securities on the date that it acquires substantial all the risks and rewards of ownership of these securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7. *Investment securities* (continued)

4.7.3. *Measurement*

Debt securities are initially stated at cost, including transaction costs and other directly attributable costs. They are subsequently recognized at amortized cost (affected by premium/discount amortization) less provision for credit risk and diminution. Premium and discounts arising from purchases of debt securities are amortized to the consolidated statement of profit or loss on a straight-line basis from the acquisition date to the maturity date.

Post-acquisition interest income of available-for-sale debt securities and held-to-maturity debt securities is recognized in the consolidated statement of profit or loss on an accrual basis. The accrued interest before the Bank purchases debt securities will be deducted from the value of the accrued interest account when received.

Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular 48 and Circular 24. Provision for diminution is recognized in the "*Net gain/(loss) from investment securities*" item of the consolidated statement of profit or loss.

For Government bonds, Government-guaranteed bonds and municipal bonds, the Bank does not make provisions for these investments.

For corporate bonds that are listed, registered for transactions, the market price of bonds is the latest transaction price at the Stock Exchange within 10 days to the balance sheet date. If there is no transaction within 10 days to the balance sheet date, no provision is calculated for these investments.

The Bank is required to make provision for credit risk for corporate bonds (including bonds issued by other CIs) which have not yet been listed on stock exchanges or have not yet been registered for trading on the UPCoM trading system under Circular 31 and Decree 86 as described in *Note 4.6*.

Other unlisted debt securities (excluding unlisted corporate bonds mentioned above) are stated at cost less provision for diminution in value determined by market value of securities. If there is no market value or market value cannot be determined reliably, these securities will be recognized at their carrying amount.

Provision for investment securities will be reversed when a subsequent increase in the recoverable amount of the investment securities is due to an objective event occurring after the provision is recognized. Provision is reversed only up to the carrying amount of these securities before provision has been made.

4.7.4. *De-recognition*

Investment securities are derecognized when the contractual rights to the cash flows from these securities expired or when the substantial risks and rewards of ownership of these securities have been transferred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8. Other long-term investments

In cases where the shares of the invested entities are registered for trading on the Unlisted Public Company Market (UPCoM), provisions for impairment are made when the actual market price, determined as the average reference price over the 30 consecutive trading days before the financial statement date as announced by the Stock Exchange, is lower than the cost of the investment. If the shares of the joint-stock company registered for trading on the UPCoM have no transactions within 30 days before the financial statement date, the Bank determines the provision level for each investment according to the regulations similar to the cases of other investments below.

Accordingly, at the time of preparing the consolidated financial statements and/or at the end of the Bank's fiscal year, if the investments in economic organizations have decreased in value compared to the investment value, the Bank makes provisions for these investments according to Clause 2, Article 5 of Circular 48.

Based on the consolidated financial statements of the invested economic organization prepared at the same time as the Bank's consolidated financial statements, provisions for each unlisted investment or registered on the UPCoM are calculated according to the following formula:

Level of provision for investment	=	Actual rate of charter capital (%) of the enterprise at an usiness organization at the time of making the provision	x	Parties' actual investment capital at the business organization receiving capital contribution at the time of making the provision	-	Actual equity capital of business organization at the time of making the provision
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In the event that the economic organization receiving the capital contribution does not prepare a financial report simultaneously with the Bank's provisioning, the Bank will base its provisions upon the most recent financial report of that organization.

4.9. Fixed assets

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

The initial cost of fixed assets includes the purchase price of the asset, including import duties, non-refundable input taxes, and directly related costs to bring the asset to its intended use condition and location.

Costs of acquisition, upgrades, and renewals of fixed assets are added to the cost of the fixed assets; maintenance and repair costs are expensed as incurred.

When fixed assets are sold or disposed of, the cost and accumulated depreciation are written off, and any resulting gains or losses from the disposal are recognized in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9. Fixed assets (continued)

Depreciation and amortization of tangible and intangible fixed assets are calculated using the straight-line method over the estimated useful life of the fixed assets, in accordance with the guidance in Circular No. 45/2023/TT-BTC dated 25 April 2013, as amended and supplemented by Circular No. 147/2016/TT-BTC dated 13 October 2016 and Circular No. 28/2017/TT-BTC dated 12 April 2017 issued by the Ministry of Finance as follows:

Buildings and structures	5-40 years
Machinery and equipment	3-5 years
Transportation and facilities	8 years
Other tangible fixed assets	5 years
Computer software	5 years
Other intangible fixed assets	Up to 20 years

Land use rights with a definite term are amortized over the period specified on the land use rights certificate. Land use rights with an indefinite term are recorded at their original cost and are not subject to amortization.

4.10. Operating lease payments

Operating lease payments are recognized in the "Operating expenses" item on the consolidated income statement using the straight-line method over the lease term. Lease commissions received are recognized in the consolidated income statement as an integral part of the total lease cost.

4.11. Receivables

4.11.1. Receivables classified as credit risk bearing assets

Receivables classified as credit risk assets are recognized at cost.

Receivables classified as credit risk assets are subject to debt classification and provisioning for credit risk by the Bank in accordance with legal regulations on provisioning and use of provisions to handle risks, as presented in Note 4.6.

4.11.2. Other receivables

Other receivables not classified as credit risk assets are recognized at cost.

Other receivables are considered for provisioning for credit risk based on the overdue age of the debt or the anticipated loss that may occur in cases where the debt is not yet due but the economic organization is bankrupt or undergoing dissolution procedures; the debtor is missing, absconding, being prosecuted, tried, or serving a sentence by legal authorities, or has died. Provision expenses are recognized in the "Operating expenses" item on the consolidated income statement.

For overdue receivables, the provisioning levels are stipulated in Circular 48 and Circular 24 as follows:

Overdue status	Provision rate
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	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12. Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated statement of financial position and amortized over the period for which the amount is paid or the period in which economic benefit is generated in relation to these expenses.

4.13. Interest income and expenses

Interest income is recognized in the consolidated income statement on an accrual basis for debts classified as standard debts not requiring specific risk provisioning.

For other debts (including restructured debts maintained as standard debts according to Circular 01, Circular 03, Circular 14, Circular 02, and Circular 53), the interest on these debts is recognized in the consolidated income statement when the Bank actually receives it.

Interest expenses are recognized in the consolidated income statement on an accrual basis.

4.14. Fee and commission income

Fee and commission income, including fees received from payment services, treasury services, fees from guarantee services, and other services, is recognized by the Bank in the consolidated statement of income when incurred.

4.15. Capital and reserve

Charter capital

Charter capital is formed from the amount contributed by shareholders to purchase shares or stocks, or supplemented from after-tax profits according to the Resolution of the General Meeting of Shareholders or as stipulated in the Bank's charter. Charter capital is recognized based on the actual capital contributed in cash or assets calculated at the par value of the issued shares at the time of establishment or additionally raised to expand the Bank's operations.

Share premium

Share premium records the difference (increase or decrease) between the issue price and the par value of the shares (including reissued treasury shares), as well as costs directly attributable to issuance of ordinary shares or sale of treasury shares.

Treasury share

Treasury share is the share the Bank issued and purchased back. The payment for purchasing share, including directly attributable expenses, will be deducted into the owners' equity till the treasury share has been cancelled or reissued. The received amount from reissue or sale of the treasury share, deducting expenses related to the reissue or sale will be included in the owners' equity.

Other owners' capital

Other owners' capital is the business resource which is added from the operating result or offered, sponsored or under assets revaluation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15. Capital and reserve (continued)

Funds and reserves

The Bank allocates the following reserve funds before distributing profits in accordance with the Law on Credit Institutions No. 47/2010/QH12 dated 16 June 2010, Decree No. 93/2017/ND-CP dated 07 August 2017 on the financial regime for credit institutions, foreign bank branches, and financial supervision, evaluation of the efficiency of state capital investment in credit institutions wholly owned by the state, and credit institutions with state capital, and according to the Bank's Charter.

Retained earnings

Principles for Recognizing Undistributed Profits: These are recognized as the profit (or loss) from the business operations of the enterprise after deducting (-) the corporate income tax expenses for the current period and adjustments due to retrospective application of changes in accounting policies and retrospective adjustments of material errors from previous years.

The distribution of profits and the establishment of funds are based on the Bank's charter and the Board of Directors' proposal approved by the Annual General Meeting of Shareholders.

4.16. Deposits and borrowings from other CIs, deposits from customers and valuable papers issued

Deposits and borrowings from other CIs, deposits from customers and issuance of valuable papers are presented at their principal balances at the end of the accounting period.

At initial recognition, premiums/ discount arising from the issuance of valuable papers are recorded as an increase/ decrease in the principal balance of the bonds. The Bank allocates these costs to "Interest and similar expenses" using the straight-line method in accordance with the term of the papers.

4.17. Payables and accrued expenses

Payables and accrued expenses are recognized for amounts to be paid in the future for goods and services received, whether or not the Bank has received an invoice from the supplier.

4.18. Principles and methods for recognizing corporate income tax and corporate income tax expenses

Income tax on the profit or loss for the year comprises current and deferred tax when profit or loss of one accounting period is determined.

Current tax

Current tax is the tax payable (or recoverable) on the taxable income and tax rate enacted in current year in accordance with the law on corporate income tax.

Deferred tax

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax liability is provided for all temporary differences; deferred income tax asset is only provided when there is enough taxable profit in the future for deducting the temporary differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18. Principles and methods for recognizing corporate income tax and corporate income tax expenses (continued)

The carrying amount of deferred tax assets

The carrying amount of deferred tax assets must be reassessed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax assets to be utilized. The unrecognized deferred tax assets will be reassessed at each balance sheet date and recognized to the extent that it has become probable future taxable profit will allow the deferred tax asset to be utilized.

The deferred tax is charged or credited in the income statement except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity.

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

The tax amounts payable to the State budget will be finalized with the tax office. Differences between the tax amounts payable specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has been issued by the tax office.

4.19. Offset

Financial assets and liabilities can only be offset and presented at their net value in the consolidated statement of financial position when the Bank has a legally enforceable right to offset them and intends to settle both simultaneously or realize the assets and settle the liabilities concurrently.

4.20. Derivatives

The Bank engages in foreign exchange forward contracts, swap contracts, and futures contracts to enable customers to manage, adjust, or mitigate foreign exchange risk or other market risks, as well as to serve the Bank's business objectives.

Foreign currency forward contracts

Foreign currency forward contracts are agreements to buy or sell a specific currency at a predetermined exchange rate on a future date, settled in cash. These contracts are initially recorded at their nominal value on the transaction date and subsequently revalued periodically. The difference arising from this revaluation is recorded in the "Foreign Exchange Differences" item within "Owners' Equity" and transferred to the consolidated income statement at the end of the accounting period.

Currency Swap Contracts

Currency swap contracts are commitments that include a commitment to buy and a commitment to sell the same amount of one currency for another at exchange rates determined at the time of the transaction, with different settlement dates for the two commitments. The premium or discount resulting from the difference between the spot exchange rate on the effective date of the contract and the forward rate will be recognized immediately on the effective date of the contract as an asset if positive or a liability if negative on the consolidated financial statements. This difference will be amortized on a straight-line basis into the consolidated income statement over the term of the contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20. Derivatives (continued)

Interest Rate Swap Contracts

The notional amounts of interest rate swap contracts are not recognized on the consolidated financial statements. The interest rate swap differential is recognized in the consolidated income statement on an accrual basis.

4.21. Employee benefits

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 is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of employees' basic salary plus other allowances. The Bank has no further obligation.

Voluntary resignation

The Bank has the obligation, under Article 46 of the Vietnam Labor Code No. 45/2019/QH14 effective from 01 January 2021, to pay allowance arising from voluntary resignation of employees, equal to a half of monthly salary for each year of employment up to 31 December 2008 plus salary allowances (if any). The average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. Accordingly, the working time at the Bank to calculate the severance payment is the total actual working time at the Bank minus the time employees participating in the unemployment insurance in accordance with the law on unemployment insurance and the working time for which severance allowances have been paid by the employer.

Unemployment allowance

According to Article 57 of Law of Employment No. 38/2013/QH13 effective from 01 January 2015 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 is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance.

4.22. Segment Reporting

A segment is a separately identifiable component of a Bank that engages in business activities and risks that are distinguishable from those of the other segments. The Bank's primary segment is reported on a geographic basis. The Bank's secondary segment is reported on a business line basis. Currently, the Bank primarily operates in the banking business, which involves the regular conduct of the following activities: accepting deposits, granting credit, providing payment services, and other banking activities. Accordingly, the Executive Board is of the opinion that the Bank has only one business segment, banking operations, and that the Bank's risks and returns are reflected in this single business line. Therefore, the Bank does not need to present detailed segment reports by business line.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23. Items with zero balances

Items that are not presented in these financial statements pursuant to Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, and Circular No. 49/2014/TT-NHNN dated 31 December 2014, on the financial reporting regime for credit institutions issued by the State Bank of Vietnam on 31 December 2024 are items with zero balances.

4.24. Business combination and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of profit or loss. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized over five-year period on a straight-line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

5. CASH AND GOLD

	31/12/2024 VND million	31/12/2023 VND million
Cash on hand in VND	240,919	224,404
Cash on hand in foreign currencies	55,726	24,109
	296,645	248,513

6. BALANCES WITH THE STATE BANK OF VIETNAM

	31/12/2024 VND million	31/12/2023 VND million
Curren accounts and compulsory reserves		
- In VND	3,489,130	2,251,489
- In foreign currencies	18,175	35,568
	3,507,305	2,287,057

Balances with the State Bank of Vietnam (SBV) include payment deposits and mandatory reserve funds at the SBV.

According to the SBV's regulations on mandatory reserves, banks are allowed to maintain a floating balance in the mandatory reserve account ("MRA"). The average monthly balance of the mandatory reserve must not be lower than the average balance of individual and corporate customer deposits of the previous month multiplied by the corresponding mandatory reserve ratio.

As of December 31, 2024, the mandatory reserve deposits at the SBV in VND and foreign currency deposits at the SBV earned interest rates of 0.50% per annum and 0.00% per annum, respectively (as of December 31, 2023: 0.50% per annum and 0.00% per annum).

The mandatory reserve ratios at the end of the accounting period are as follows:

	31/12/2024 %	31/12/2023 %
Demand deposits and term deposits in VND with a maturity of less than 12 months	3.00	3.00
Term deposits in VND with a maturity of over 12 months	1.00	1.00
Foreign currency deposits with a maturity of less than 12 months	8.00	8.00
Foreign currency deposits with a maturity of over 12 months	6.00	6.00
Foreign currency deposits of overseas credit institutions	1.00	1.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

7. DEPOSITS AND LOANS TO OTHER CREDIT INSTITUTIONS

	31/12/2024 VND million	31/12/2023 VND million
Demand deposits	9,323,929	5,460,903
In VND	8,791,325	5,078,502
In foreign currencies	532,604	382,401
Term deposits	5,750,000	3,000,000
In VND	5,750,000	3,000,000
	15,073,929	8,460,903

Analysis of balances and loans to other CIs by credit quality:

	31/12/2024 VND million	31/12/2023 VND million
Current	5,750,000	3,000,000
	5,750,000	3,000,000

8. LOANS TO CUSTOMERS

	31/12/2024 VND million	31/12/2023 VND million
Loans to local economic entities and individuals	71,137,541	55,298,120
Discounted bills and valuable papers	7,398	-
Loans financed by entrusted funds	13,933	3,400
Payments on behalf of customers	15,848	42,739
	71,174,720	55,344,259

8.1. Loan portfolio by credit quality

	31/12/2024 VND million	31/12/2023 VND million
Current	55,935,874	36,737,199
Special mention	1,331,532	2,138,081
Substandard	280,960	276,539
Doubtful	438,642	2,527,379
Loss	13,187,712	13,665,061
	71,174,720	55,344,259

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

8. LOANS TO CUSTOMERS (continued)

8.2. Loan portfolio by original term

	31/12/2024 VND million	31/12/2023 VND million
Short-term	22,385,410	20,767,054
Medium-term	30,409,105	21,059,422
Long-term	18,380,205	13,517,783
	71,174,720	55,344,259

9. PROVISION FOR LOANS TO CUSTOMERS

Provision for loans to customers consists of:

	31/12/2024 VND million	31/12/2023 VND million
General provision	434,903	312,594
Specific provision	761,413	765,501
	1,196,316	1,078,095

Movements in provision for loans to customers during the period from 01 January 2024 to 31 December 2024 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	312,594	765,501	1,078,095
Provision made/ (reversed) during the period (Note 29)	122,309	99,114	221,423
Use of provision for loans to customers	-	(138,361)	(138,361)
Increases due to receiving loans from VAMC	-	35,159	35,159
Closing balance	434,903	761,413	1,196,316

Movements in provision for loans to customers during the period from 01 January 2023 to 31 December 2023 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	343,698	615,964	959,662
Provision made/ (reversed) during the period (Note 29)	(31,104)	139,221	108,117
Increases due to receiving loans from VAMC	-	10,316	10,316
Closing balance	312,594	765,501	1,078,095

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

10. INVESTMENT SECURITIES

Investment securities as at period end date included:

	31/12/2024 VND million	31/12/2023 VND million
Available-for-sale securities	4,550,275	7,736,856
Debt securities	4,550,275	7,736,856
Government bonds	1,990,275	3,736,856
Bonds issued by other local CIs	2,560,000	4,000,000
Held-to-maturity securities	14,325,518	5,652,828
Debt securities	14,325,518	5,652,828
Bonds issued by local economic entities	14,325,518	5,652,828
Provision for investment securities	(157,489)	(277,923)
Specific provision for Held-to-maturity investment securities	(157,489)	(277,923)
	18,718,304	13,111,761

11. CAPITAL CONTRIBUTIONS, LONG-TERM INVESTMENTS

	31/12/2024 VND million	31/12/2023 VND million
Other long-term investments – cost	719,600	719,600
Provision for long-term investments	(348,356)	(64,918)
	371,244	654,682

Other long-term investments

	31/12/2024		31/12/2023	
	Historical cost VND million	Share holding %	Historical cost VND million	Share holding %
Saigon-Quy Nhon Minerals JSC	273,700	3.18	273,700	3.18
Saigon Investment JSC (SGI)	338,200	11.00	338,200	11.00
Navibank Securities JSC	17,700	7.02	17,700	7.02
Saigon - Binh Thuan Electricity Plant Investment and Development JSC	90,000	9.00	90,000	9.00
	719,600		719,600	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

12. TANGIBLE FIXED ASSETS

Movements of tangible fixed assets from 01 January 2024 to 31 December 2024 are as follows:

Unit: VND million

	<i>Building and structures</i>	<i>Machines, equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost						
Opening balance	44,017	159,835	77,375	81,984	437	363,648
Additions	-	32,401	690	37,263	-	70,354
Disposals	(202)	(4,958)	(7,153)	(24,226)	(404)	(36,943)
Closing balance	43,815	187,278	70,912	95,021	33	397,059
Accumulated depreciation						
Opening balance	14,874	77,704	39,569	59,513	280	191,940
Charged for the period	1,430	15,494	5,724	7,827	-	30,475
Disposals	(189)	(4,928)	(7,153)	(21,406)	(247)	(33,923)
Closing balance	16,115	88,270	38,140	45,934	33	188,492
Net book value						
Opening balance	29,143	82,131	37,806	22,471	157	171,708
Closing balance	27,700	99,008	32,772	49,087	-	208,567

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

12. TANGIBLE FIXED ASSETS (continued)

Movements of tangible fixed assets from 01 January 2023 to 31 December 2023 are as follows:

Unit: VND million

	<i>Building and structures</i>	<i>Machines, equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost						
Opening balance	43,551	183,117	65,541	88,779	1,067	382,055
Additions	508	17,773	17,544	12,868	-	48,693
Disposals	(42)	(41,055)	(5,710)	(19,663)	(630)	(67,100)
Closing balance	44,017	159,835	77,375	81,984	437	363,648
Accumulated depreciation						
Opening balance	13,473	91,952	40,627	70,383	766	217,201
Charged for the period	1,424	16,540	4,631	7,296	47	29,938
Disposals	(23)	(30,788)	(5,689)	(18,166)	(533)	(55,199)
Closing balance	14,874	77,704	39,569	59,513	280	191,940
Net book value						
Opening balance	30,078	91,165	24,914	18,396	301	164,854
Closing balance	29,143	82,131	37,806	22,471	157	171,708

As at 31 December 2024, the original cost of fully depreciated tangible fixed assets still in use was VND 79,973 million (31 December 2023: VND 95,402 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

13. INTANGIBLE FIXED ASSETS

Movements of intangible fixed assets from 01 January 2024 to 31 December 2024 are as follows:

Unit: VND million

	<i>Land use right</i>	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
Cost				
Opening balance	536,147	141,253	57,747	735,147
Additions	72,863	41,759	-	114,622
Disposals	-	(306)	-	(306)
Other movements	-	-	(15)	(15)
Closing balance	609,010	182,706	57,732	849,448
Accumulated amortization				
Opening balance	-	63,645	57,464	121,109
Charged for the period	-	14,818	248	15,066
Disposals	-	(262)	-	(262)
Other movements	-	-	(8)	(8)
Closing balance	-	78,201	57,704	135,905
Net book value				
Opening balance	536,147	77,608	283	614,038
Closing balance	609,010	104,505	28	713,543

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

13. **INTANGIBLE FIXED ASSETS** (continued)

Movements of intangible fixed assets from 01 January 2023 to 31 December 2023 are as follows:

Unit: VND million

	<u>Land use right</u>	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
Cost				
Opening balance	536,147	85,143	57,636	678,926
Additions	-	56,659	111	56,770
Disposals	-	(549)	-	(549)
Closing balance	536,147	141,253	57,747	735,147
Accumulated amortization				
Opening balance	-	52,037	48,628	100,665
Charged for the period	-	12,157	8,836	20,993
Disposals	-	(549)	-	(549)
Closing balance	-	63,645	57,464	121,109
Net book value				
Opening balance	536,147	33,106	9,008	578,261
Closing balance	536,147	77,608	283	614,038

As at 31 December 2024, the original cost of fully depreciated intangible fixed assets still in use was VND 97,820 million (31 December 2023: VND 85,606 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

14. OTHER ASSETS

	31/12/2024 VND million	31/12/2023 VND million
Construction in progress	49,165	7,527
Receivables	8,079,254	10,594,462
Interest and fee receivables	499,530	3,569,597
Other assets	2,682,266	2,482,357
Provision for other assets	(1,679,440)	(219,270)
	9,630,775	16,434,673

15. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	31/12/2024 VND million	31/12/2023 VND million
Demand deposits	7,536,450	5,023,296
In VND	7,536,383	5,023,229
In foreign currencies	67	67
Term deposits	2,500,000	4,007,005
In VND	2,500,000	4,007,005
	10,036,450	9,030,301

16. DEPOSITS FROM CUSTOMERS

	31/12/2024 VND million	31/12/2023 VND million
Demand deposits	9,083,078	4,586,717
Demand deposits in VND	8,812,927	4,307,669
Demand deposits in foreign currencies	270,151	279,048
Term deposits	86,781,912	71,984,138
Term deposits in VND	86,716,234	71,904,816
Term deposits in foreign currencies	65,678	79,322
Deposits for specific purposes	288	283
Margin deposits	251,908	279,076
	96,117,186	76,850,214

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

17. DERIVATIVES AND OTHER FINANCIAL ASSETS/ (LIABILITIES)

	<i>Total contract value (at the exchange rate on the effective date of the contract) VND million</i>	<i>Total book value (at the exchange rate at the reporting date)</i>		
		<i>Assets</i>	<i>Liabilities</i>	<i>Net carrying amount</i>
		<i>VND million</i>	<i>VND million</i>	<i>VND million</i>
As at 31 December 2024				
Currencies derivatives	10,950,329	-	(86,313)	(86,313)
Forward transactions	41,459	-	(53)	(53)
Swap transactions	10,908,870	-	(86,260)	(86,260)
Other derivatives	-	-	-	-
	<u>10,950,329</u>	<u>-</u>	<u>(86,313)</u>	<u>(86,313)</u>
As at 31 December 2024				
Currencies derivatives	5,336,460	33	(26,440)	(26,407)
Forward transactions	1,003,110	33	-	33
Swap transactions	4,333,350	-	(26,440)	(26,440)
Other derivatives	-	-	-	-
	<u>5,336,460</u>	<u>33</u>	<u>(26,440)</u>	<u>(26,407)</u>

18. BORROWED AND ENTRUSTED FUND

	<i>31/12/2024 VND million</i>	<i>31/12/2023 VND million</i>
Funds received from other domestic entities and individuals in VND	<u>11,150</u>	<u>16,658</u>
	<u>11,150</u>	<u>16,658</u>

Capital received from Loan Agreement No. VNXII-5 for the SME Financing Project, signed between the Government of the Socialist Republic of Vietnam and the Japan International Cooperation Agency (JICA). The disbursement is aligned with the framework agreement signed between the State Bank of Vietnam and the National Citizen Commercial Joint Stock Bank on 01 July 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

19. VALUABLE PAPERS ISSUED

Valuable papers issued by currency and original term are as follows:

	31/12/2024 VND million	31/12/2023 VND million
From 1 to 5 years	763,602	-
Certificates of deposit in VND	763,602	-
Over 5 years	3,541,041	3,166,906
Certificates of deposit in VND	3,541,041	3,166,906
	4,304,643	3,166,906

20. OTHER LIABILITIES

	31/12/2024 VND million	31/12/2023 VND million
Internal payables	307,293	174,706
External payables	347,609	79,022
Tax payables (Note 21)	9,215	3,984
Accrued interest and fee payables	1,186,011	1,806,629
	1,850,128	2,064,341

21. OBLIGATIONS TO THE STATE TREASURY

Unit: VND million

	31/12/2023	Occurring during the period		31/12/2024
		Payables	Payment	
Value added tax	690	21,184	(19,872)	2,002
Corporate income tax	(720)	848	(175)	(47)
Other taxes	4,014	78,240	(74,994)	7,260
	3,984	100,272	(95,041)	9,215

Current Corporate Income Tax

The current corporate income tax ("CIT") payable is determined based on the taxable income for the current period. Taxable income differs from the income reported in the consolidated statement of profit or loss because taxable income excludes income items that are taxable or deductible in different periods due to differences between the Bank's accounting policies and current tax regulations, and it also excludes items that are non-taxable or non-deductible for tax purposes. The Bank's current corporate income tax payable is calculated at the tax rates that have been enacted by the end of the accounting period.

The Bank's tax returns are subject to examination by tax authorities. As the application of tax laws and regulations can be interpreted in various ways, the tax amounts presented in the consolidated financial statements may be subject to changes according to the final decision of the tax authorities.

The current corporate income tax rate of the Bank is 20% (2023: 20%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

22. OWNERS' EQUITY

22.1. Changes in capital and reserves

Changes in capital and reserves of the Bank for the period from 01 January 2024 to 31 December 2024 are as follows:

Unit: VND million

	Charter capital	Share premium	Treasury shares	Investment and Development fund	Financial reserve	Supplementary charter capital reserve	Other funds	Retained earnings	Total
As at 01 January 2023	5,601,555	-	(29,644)	1,105	78,998	47,769	29,644	34,801	5,764,228
Net profit for the period	-	-	-	-	-	-	-	(669,556)	(669,556)
As at 31 December 2023	5,601,555	-	(29,644)	1,105	78,998	47,769	29,644	(634,755)	5,094,672
Net profit for the period (i)	-	-	-	-	-	-	-	(5,128,938)	(5,128,938)
Capital increase for the period (ii)	6,178,293	(216)	-	-	-	-	-	-	6,178,077
Use of reserves for the period	-	-	-	-	(50,965)	-	-	-	(50,965)
As at 31 December 2024	11,779,848	(216)	(29,644)	1,105	28,033	47,769	29,644	(5,763,693)	6,092,846

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

22. OWNERS' EQUITY (continued)

22.2. Share capital

Breakdown of share capital at the balance sheet date:

	31/12/2024 VND million	31/12/2023 VND million
Charter capital	11,779,848	5,601,555
Share premium	(216)	-
Treasury shares	(29,644)	(29,644)
	11,749,988	5,571,911

Number of shares at the balance sheet date:

	31/12/2024	31/12/2023
Registered share capital	1,180,155,587	560,155,587
Issued share capital	1,177,984,751	560,155,587
Ordinary shares	1,177,984,751	560,155,587
Treasury shares repurchased	3,352,000	3,352,000
Ordinary shares	3,352,000	3,352,000
Outstanding share capital	1,174,632,751	556,803,587
Ordinary shares	1,174,632,751	556,803,587

23. INTEREST AND SIMILAR INCOME

	From 01/01/2024 to 31/12/2024 VND million	From 01/01/2023 to 31/12/2023 VND million
Interest income from deposits	105,447	82,400
Interest income from loan to customers and credit granting to other Cis (*)	2,371,635	5,731,074
Interest income from debt investment securities (*)	292,124	472,330
Income from guarantee services	130,680	91,256
Other income from credit activities	28,805	56,559
	2,928,691	6,433,619

(*) In 2024, the Bank reversed accrued interest on loans and debt investments securities according to the Restructuring Plan with the amount of VND 2,796,462 million (Note 30).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

24. INTEREST AND SIMILAR EXPENSES

	<i>From 01/01/2024 to 31/12/2024 VND million</i>	<i>From 01/01/2023 to 31/12/2023 VND million</i>
Interest expenses for deposits	4,433,452	5,773,609
Interest expenses for borrowings	15,616	768
Interest expenses for valuable papers issued	260,009	193,032
Expenses for other credit activities	1,807	8,981
	4,710,884	5,976,390

25. NET FEES AND COMMISSION INCOME

	<i>From 01/01/2024 to 31/12/2024 VND million</i>	<i>From 01/01/2023 to 31/12/2023 VND million</i>
Fees and commission income	165,438	102,350
Settlement and cash services	118,141	62,258
Treasury services	1,209	945
Other services	46,088	39,147
Fees and commission expenses	(90,470)	(68,832)
Settlement and cash services	(29,417)	(18,491)
Treasury services	(5,309)	(3,334)
Other services	(55,744)	(47,007)
	74,968	33,518

26. NET GAIN/ LOSS FROM TRADING OF INVESTMENT SECURITIES

	<i>From 01/01/2024 to 31/12/2024 VND million</i>	<i>From 01/01/2023 to 31/12/2023 VND million</i>
Gain from trading of investment securities	137,077	183,422
Loss from trading of investment securities	(5,655)	(22,938)
	131,422	160,484

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

27. NET GAIN/ LOSS FROM OTHER OPERATING ACTIVITIES

	<i>From 01/01/2024 to 31/12/2024 VND million</i>	<i>From 01/01/2023 to 31/12/2023 VND million</i>
Other operating income	67,669	82,286
Other operating expenses (*)	(89,876)	(216,819)
	(22,207)	(134,533)

(*) In 2024, the Bank handled other assets items under the Restructuring Plan with the amount of VND 28,054 million (Note 30).

28. OPERATING EXPENSES

	<i>From 01/01/2024 to 31/12/2024 VND million</i>	<i>From 01/01/2023 to 31/12/2023 VND million</i>
Tax, duties and fees	17,443	6,583
Employee expenses	955,516	652,446
<i>In which:</i>		
- Salaries and allowances	881,971	583,614
- Salary based expenditures	34,046	35,352
- Subsidies	855	1,206
- Other employee expenses	38,644	32,274
Expenses on assets	330,871	236,877
- Depreciation and amortization of fixed assets	45,541	50,931
Insurance fee expenses for customers' deposits	118,060	95,846
Administrative expenses (*)	256,489	227,699
<i>In which:</i>		
- Per diems	10,523	7,671
- Expenses for trade union activities	141	304
Provision made/(reserved) (excluding on and off-balance sheet credit loss provision; provision for impairment in the value of securities) (**)	1,713,669	19,270
	3,392,048	1,238,721

(*) In 2024, the Bank handled operating expenses items under the Restructuring Plan with the amount of VND 5,827 million (Note 30).

(**) In 2024, the Bank processed other assets items under the Restructuring Plan with the amount of VND 1,726,888 million (Note 30).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

29. PROVISION EXPENSES FOR CREDIT LOSSES

	<i>From 01/01/2024 to 31/12/2024 VND million</i>	<i>From 01/01/2023 to 31/12/2023 VND million</i>
Specific provision made/(reserved) for loans to customers (<i>Note 9</i>) (*)	99,114	139,221
General provision made/(reserved) for loans to customers (<i>Note 9</i>)	122,309	(31,104)
Provision made/(reserved) for investment securities	12,183	38,833
Provision made/(reserved) for other credit risk bearing assets	29,938	-
	263,544	146,950

(*) In 2024, the Bank made specific provisions for loans to customers according to the Restructuring Plan with the amount of VND 28,606 million (*Note 30*).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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30. ITEMS HANDLED UNDER THE RESTRUCTURING PLAN FOR THE PERIOD 2023-2025 AND ORIENTATION TO 2030

The table below provides detailed explanations of the operating results before and after handling the items related to the Restructuring Plan for the period 2023-2025 and orientation to 2030, approved according to Resolution No. 1429/2024/NQ-HĐQT, as follows:

	<i>From 01/01/2024 to 31/12/2024 VND million</i>	<i>From 01/01/2023 to 31/12/2023 VND million</i>
Interest and similar income	5,725,153	6,433,619
Interest and similar expenses	(4,710,884)	(5,976,390)
Net interest income	1,014,269	457,229
Fee and commission income	165,438	102,350
Fee and commission expenses	(90,470)	(68,832)
Net fee and commission income	74,968	33,518
Net gain/ (loss) from trading of foreign currencies	125,512	202,454
Net gain/ (loss) from trading of investment securities	131,422	160,484
Other income	67,669	82,286
Other expenses	(61,822)	(216,819)
Net income from other activities	5,847	(134,533)
Operating expenses	(1,659,333)	(1,238,721)
Net operating profit before allowance and provision expenses	(307,315)	(519,569)
Provision expenses for credit losses	(234,938)	(146,950)
Profit before tax	(542,253)	(666,519)
Current income tax expense	(848)	(3,037)
Income tax expense	(848)	(3,037)
Profit after tax before the Restructuring Plan	(543,101)	(669,556)
Accrued interest on loans and debt securities reversal (Note 23)	(2,796,462)	-
Written-off of other assets (Note 27)	(28,054)	-
Operating expense (Note 28)	(5,827)	-
Provision expenses for loans to customers (Note 29)	(28,606)	-
Other provision expenses (Note 28)	(1,726,888)	-
Total expenses according to the Restructuring Plan	(4,585,837)	-
Profit after tax after the Restructuring Plan	(5,128,938)	(669,556)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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31. CASH AND CASH EQUIVALENTS

	31/12/2024 Triệu đồng	31/12/2023 Triệu đồng
Cash and gold	296,645	248,513
Balances with the SBV	3,507,305	2,287,057
Balances with other CIs with original terms of 3 months or less	15,073,929	8,460,903
	18,877,879	10,996,473

32. EMPLOYEES' BENEFITS

	From 01/01/2024 to 31/12/2024 VND million	From 01/01/2023 to 31/12/2023 VND million
I. Average total number of employees during the year (person)	2,029	2,052
II. Employees' income	754.172	584,820
III. Average monthly income/ employee	30.97	23,80

33. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET COMMITMENTS BY GEOGRAPHICAL REGIONS

Concentration of assets, liabilities and off-balance sheet commitments by geographical regions as at reporting date is as follows:

	Total loans to customers (*) VND million	Total deposits from customers VND million	Other credit commitments VND million	Derivatives (nominal contract value) VND million	Trading and investment securities VND million
Domestic	71,174,720	106,153,636	5,667,834	10,950,329	18,875,793
	71,174,720	106,153,636	5,667,834	10,950,329	18,875,793

(*) Excluding provisions

34. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS

This section provides details on the risks that the Bank may encounter related to financial instruments and describes in detail the policies and methods the Bank uses to control these risks. The most significant financial risks that the Bank may face related to financial instruments include:

- Credit risk;
- Market risk;
- Liquidity risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

34. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

34.1. Credit risk

Credit risk is the risk that a party involved in a financial instrument or contract, such as a customer, fails to fulfill their obligations, resulting in financial loss. Credit risk arises from lending and guaranteeing activities in various forms.

The Bank also faces other credit risks arising from investments in debt securities and other risks in the Bank's trading activities ('transaction risk'), including non-equity trading portfolio assets, derivatives, and settlement balances with counterparties.

The Bank maintains a credit risk management policy that ensures the following fundamental principles: establishing an appropriate credit risk management environment; operating under a sound credit granting process; maintaining an appropriate credit administration, measurement, and monitoring process; and ensuring adequate control over credit risk.

34.2. Market risk

Market risk is the risk of adverse fluctuations and changes in market risk factors (including interest rates, exchange rates, securities prices, and commodity prices on the market, etc.) that negatively impact the Bank's income and capital. Market risk arises from open positions in interest rates, currency products, and equity instruments, all of which are affected by general market movements and specific market changes, as well as changes in the volatility of market prices such as interest rate risk, currency risk, and other price risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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34. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

34.2. Market risk (continued)

34.2.1. Interest rate risk

Interest rate risk arises when there is a difference of term in repricing of interest rate between assets and liabilities. All credit activities, mobilization activities, investment activities of the Bank arise interest rate risk.

On the basis of the state of "interest rate sensitivity" according to periodic changes in interest rates, the items which are assets, equity and off-balance sheet assets are classified by terms into the table "interest gap" of the Bank.

Interest rate repricing terms for items with fixed interest rates are the remaining period until maturity date of assets, as for floating interest rates are the remaining period until the nearest repricing date.

The followings assumptions and conditions are applied when constructing "interest gap" table:

- ▶ Cash and gold, capital contribution, long-term investments, fixed assets, other assets and other liabilities are classified as "Non-sensitive to interest rate" items;
- ▶ The interest rate repricing terms for trading securities and investment securities are determined based on the remaining contractual maturity at the date of the consolidated financial statements if such securities have a fixed interest rate, or based on the interest rate repricing terms if such securities have a floating interest rate;
- ▶ The interest rate repricing terms for trading securities and investment securities are determined based on the remaining contractual maturity at the date of the consolidated financial statements if such securities have a fixed interest rate, or based on the interest rate repricing terms if such securities have a floating interest rate;
- ▶ The interest rate repricing terms for deposits and loans to the SBV and other CIs; derivative financial instruments and other financial assets and liabilities; loans to customers; deposits and borrowings from the Government and SBV; deposits and borrowings from other CIs; and deposits from customers are determined as follows:
 - For items with a fixed interest rate throughout the term of the contract: the actual interest rate repricing term is based on the actual maturity date calculated from the date of the consolidated financial statements;
 - For items with a floating interest rate: the actual interest rate repricing term is based on the most recent interest rate repricing term calculated from the date of the consolidated financial statements;
 - For demand deposits: the interest rate repricing term will correspond to the stability of the demand deposit portfolio over time, based on the results of analyzing the behavior of this portfolio in a moderately stressful scenario;
- ▶ The interest rate repricing term for the issuance of securities is based on the contractual payment/maturity period of each type of security if the security has a fixed interest rate or based on the contractual interest rate repricing terms if it is a floating rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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34. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

34.2. Market risk (continued)

34.2.1. Interest rate risk (continued)

The table below summarizes the Bank's interest rate risk as at 31 December 2024:

	Overdue	Non-interest bearing	Up to 1 month	From 1-3 months	From 3-6 months	From 6-12 months	From 1-5 years	Over 5 years	Total
Unit: VND million									
Assets									
Cash and gold	-	296,645	-	-	-	-	-	-	296,645
Balances with the SBV	-	-	3,507,305	-	-	-	-	-	3,507,305
Deposits and loans to other CIs (*)	-	-	15,073,929	-	-	-	-	-	15,073,929
Loans to customers (*)	10,608,555	-	12,641,886	36,132,504	2,506,986	1,295,618	7,554,251	434,920	71,174,720
Investment securities (*)	31,554	-	-	-	90,655	3,133,049	13,637,271	1,983,264	18,875,793
Capital contributions, long-term investments (*)	-	-	-	-	-	-	-	719,600	719,600
Fixed assets	-	922,110	-	-	-	-	-	-	922,110
Other assets (*)	-	6,818,910	159,480	67,831	8,901	2,045,285	2,063,351	146,457	11,310,215
Total assets	10,640,109	8,037,665	31,382,600	36,200,335	2,606,542	6,473,952	23,254,873	3,284,241	121,880,317
Liabilities									
Deposits and borrowings from the SBV and other CIs	-	-	10,036,450	-	-	-	-	-	10,036,450
Deposits from customers	-	-	18,436,403	12,565,520	16,139,921	9,728,223	39,246,798	321	96,117,186
Derivatives and other financial liabilities	-	-	26,844	78,732	(15,971)	(3,292)	-	-	86,313
Borrowed and entrusted funds	-	-	-	-	-	-	-	11,150	11,150
Valuable papers issued	-	-	-	-	-	267,420	2,486,867	1,550,356	4,304,643
Other liabilities	-	664,117	668,457	193,050	94,055	50,657	167,725	12,067	1,850,128
Total liabilities	-	664,117	29,168,154	12,837,302	16,218,005	10,043,008	41,901,390	1,573,894	112,405,870
On-balance sheet interest sensitivity gap	10,640,109	7,373,548	2,214,446	23,363,033	(13,611,463)	(3,569,056)	(18,646,517)	1,710,347	9,474,447
Off-balance sheet commitments affecting the sensitivity level with the interest rate of assets and liabilities (net)	-	14,755,617	-	-	-	-	-	-	14,755,617
On and off-balance sheet interest sensitivity gap	10,640,109	22,129,165	2,214,446	23,363,033	(13,611,463)	(3,569,056)	(18,646,517)	1,710,347	24,230,064

(*) Excluding provisions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

34. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

34.2. Market risk (continued)

34.2.2. Currency risk

Currency risk is the risk that the value of financial instruments fluctuates due to exchange rate movements. The Bank was established and operates in Vietnam with the Vietnamese Dong as its functional currency. The Bank's primary transaction currency is also the Vietnamese Dong. The Bank's loans and advances to customers are mainly in Vietnamese Dong and US Dollars. However, some of the Bank's other assets are in foreign currencies other than Vietnamese Dong and US Dollars. The Bank has established position limits for each currency. Currency positions are monitored daily, and hedging strategies are used by the Bank to ensure that currency positions are maintained within the established limits.

Exchange rates of significant foreign currencies against VND as at the reporting date are presented at Note 36.

Presentation of assets and liabilities of the Bank by currencies converted into VND as at 31 December 2024:

Unit: VND million

	USD equivalent	EUR equivalent	Other currencies equivalent	Total
Assets				
Cash and gold	55,460	115	151	55,726
Balances with the SBV	18,175	-	-	18,175
Deposits and loans to other CIs (*)	505,289	6,872	20,443	532,604
Loans to customers (*)	673,807	-	-	673,807
Other assets (*)	1,461	-	-	1,461
Total assets	1,254,192	6,987	20,594	1,281,773
Liabilities and owners' equity				
Deposits and borrowings from the SBV and other CIs	-	67	-	67
Deposits from customers	328,536	1,048	6,330	335,914
Derivatives and other financial liabilities	2,247,681	-	(772)	2,246,909
Other liabilities	540	389	-	929
Total liabilities and owners' equity	2,576,757	1,504	5,558	2,583,819
FX position on-balance sheet	(1,322,565)	5,483	15,036	(1,302,046)
FX position off-balance sheet	508,310	-	-	508,310
FX position on and off-balance sheet	(814,255)	5,483	15,036	(793,736)

(*) Excluding provisions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

34. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

34.2. Market risk (continued)

34.2.3. Liquidity risk

Liquidity risk is the risk that the Bank may be unable to fulfill its payment obligations related to financial liabilities when they become due, particularly in the absence of alternative capital sources when customers withdraw funds. The consequences could include the Bank's inability to pay depositors or meet its lending commitments. The Bank manages liquidity risk through the following strategies:

- ▶ Controlling the capital mobilization and loan on daily basis;
- ▶ Maintaining investment portfolio securities that are easily convertible to cash;
- ▶ Controlling liquidity indices in the financial status report in compliance with the regulations of the State Bank of Vietnam.

The maturity of assets and liabilities represents the remaining term of the assets and liabilities from the time of preparing the financial statements until the final payment as stipulated in the contract or issuance terms.

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

- ▶ Balances with the SBV are classified as demand deposits, including compulsory deposits. The level of compulsory deposits depends on the composition and terms of the Bank's deposits from customers;
- ▶ The maturity term of trading securities and investment securities is based on their individual maturity dates. Government securities, although classified as long-term, are highly liquid and can be easily converted to cash. The maturity of equity securities in subsidiaries is determined by the business plan;
- ▶ The maturity term of deposits and loans to other CIs, as well as loans to customers, is based on contractual maturity dates. However, actual maturity dates may vary due to loan extensions or prepayments;
- ▶ Equity investments are generally considered to have a maturity of more than five (5) years due to their indefinite nature;
- ▶ The maturity terms of deposits and borrowings from other CIs, deposits from customers, borrowings from Government and the SBC and other assets are determined based on their specific characteristics or contractual terms. The maturity term of demand deposits is based on customer behavior analysis, while the maturity term of term deposits and loans is based on contractual maturity dates;
- ▶ The maturity term of fixed assets is determined by their remaining useful life;
- ▶ The maturity term of issued securities is based on their individual maturity dates;
- ▶ The maturity term of other liabilities is classified based on their actual individual maturity dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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34. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

34.2. Market risk (continued)

34.2.3. Liquidity risk (continued)

Summary of assets and liabilities of the Bank by term from the period ended 31 December 2024 to the maturity date is as follows:

Unit: VND million

	Overdue		Undue				Total
	Up to 3 months	Over 3 months	Up to 1 month	From 1-3 months	From 3-12 months	From 1-5 years	
Assets							
Cash and gold	-	-	296,645	-	-	-	296,645
Balances with the SBV	-	-	3,507,305	-	-	-	3,507,305
Deposits and loans to other CIs (*)	-	-	15,073,929	-	-	-	15,073,929
Loans to customers (*)	399,355	10,209,200	1,728,549	6,434,186	14,940,488	24,309,029	71,174,720
Investment securities (*)	-	31,554	-	-	3,223,704	12,290,610	18,875,793
Capital contributions, long-term investments (*)	-	-	-	-	-	719,600	719,600
Fixed assets	-	-	-	-	-	922,110	922,110
Other assets (*)	-	-	168,312	73,990	2,068,334	2,063,225	11,310,215
Total assets	399,355	10,240,754	20,774,740	6,508,176	20,232,526	38,662,864	121,880,317
Liabilities							
Deposits and borrowings from the SBV and other CIs	-	-	10,036,450	-	-	-	10,036,450
Deposits from customers	-	-	18,508,944	12,492,980	25,212,153	39,902,556	96,117,186
Derivatives and other financial liabilities	-	-	21,763	29,177	35,373	-	86,313
Borrowed and entrusted funds	-	-	-	-	-	11,150	11,150
Valuable papers issued	-	-	-	-	203,700	2,550,587	4,304,643
Other liabilities	-	-	1,000,914	377,242	444,243	24,029	1,850,128
Total liabilities	-	-	29,568,071	12,899,399	25,895,469	42,477,172	112,405,870
Net liquidity gap	399,355	10,240,754	(8,793,331)	(6,391,223)	(5,662,943)	(3,814,308)	9,474,447

(*) Excluding provisions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the period from 01 January 2024 to 31 December 2024

34. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)**34.2. Market risk (continued)****34.2.4. Other market risks**

Aside from the assets and liabilities detailed previously, the Bank does not hold any other assets or liabilities exposed to market price risks that could result in a loss exceeding 5% of net income or 5% of the total value of the asset or liability relative to total assets.

35. SUBSEQUENT EVENTS

As of the date of approval of these consolidated financial statements, there have been no significant events occurring after 31 December 2024, that could have a material impact on the Bank's financial position and require adjustments or disclosures in these consolidated financial statements for the period from 01 January 2024 to 31 December 2024.

36. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VND

	31/12/2024 VND	31/12/2023 VND
AUD	15,863	16,496
CAD	17,759	18,281
CHF	28,225	28,836
EUR	26,538	26,778
GBP	32,460	30,870
JPY	163	172
KRW	17	19
SGD	18,758	18,398
THB	746	707
USD	25,416	24,255

Hanoi, 24 January 2025

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