

No.:450/2025/CV-PGB

Re: Regular disclosure of financial statements

Hanoi, 28 March 2025

**Respectfully send to: Hanoi Stock Exchange (HNX)**

Pursuant to Clause 3 and Clause 4, Article 14 of the Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the securities market, Prosperity and Growth Commercial Joint Stock Bank (Securities code: PGB) discloses the audited financial statements for the year ended 31 December 2024 to the Hanoi Stock Exchange as follows:

1. **The audited financial statements for the year ended 31 December 2024** as prescribed in Clause 3, Article 14 of the Circular No. 96/2020/TT-BTC including:

- ☒ Separate financial statements (Organizations without subsidiaries and superior accounting units with affiliated units);
- ☐ Consolidated financial statements (Organization with subsidiaries);
- ☐ General financial statements (Organizations with affiliated accounting units having their own accounting apparatus).

2. The **explanatory document** must be disclosed **simultaneously** with the financial statements as prescribed in Clause 4, Article 14 of Circular No. 96/2020/TT-BTC, including:

+ Has the profit after corporate income tax in the Income Statement of the reporting period changed by 10% or more compared to the report of the same period last year?

☒ Yes

☐ No

Explanatory document: Profit after tax changed by 10% compared to the same period last year:

☒ Yes

☐ No

+ Does profit after tax in the reporting period suffer a loss, shifting from profit in the same period last year to loss in this period or vice versa?

☐ Yes

☒ No

Explanatory document: Profit after tax in the reporting period suffers a loss, shifting from profit in the same period last year to loss in this period or vice versa:

☐ Yes

☒ No

+ Is there a difference of 5% or more in the after-tax profit in the reporting period before and after auditing or review, changing from loss to profit or vice versa?

☐ Yes

☒ No

Explanatory document: After-tax profit after audit changes by 5% compared to before auditing:

☐ Yes

☒ No

**PROSPERITY AND GROWTH COMMERCIAL JOINT  
STOCK BANK**



CHỦ TỊCH HỘI ĐỒNG QUẢN TRỊ  
*Phạm Mạnh Hằng*

**PROSPERITY AND GROWTH COMMERCIAL  
JOINT STOCK BANK**  
*(Incorporated in the Socialist Republic of Vietnam)*

## **AUDITED FINANCIAL STATEMENTS**

**For the year ended 31 December 2024**

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

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**PROSPERITY AND GROWTH COMMERCIAL JOINT STOCK BANK**16<sup>th</sup>, 23<sup>rd</sup> and 24<sup>th</sup> Floor, MIPEC Tower

229 Tay Son Street, Khuong Thuong Ward, Dong Da District

Hanoi, Vietnam

**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of Prosperity and Growth Commercial Joint Stock Bank (the “Bank”) presents this report together with the Bank’s financial statements for the year ended 31 December 2024.

The members of the Board of Directors, Board of Supervisors, Board of Management and Chief Accountant of the Bank during the year and to the date of the financial statements were as follows:

**Board of Directors**

Mr. Pham Manh Thang	Chairman
Mr. Dao Phong Truc Dai	Vice Chairman
Mr. Vuong Phuc Chinh	Member
Mr. Dinh Thanh Nghiep	Member
Mr. Dao Quoc Tinh	Independent Member (Appointed on 26 August 2024)
Ms. Cao Thi Thuy Nga	Independent Member (Appointed on 26 August 2024)
Mr. Nguyen Thanh Lam	Independent Member (Resigned on 20 April 2024)
Ms. Dinh Thi Huyen Thanh	Member (Resigned on 20 April 2024)

**Board of Supervisors**

Mr. Tran Ngoc Dung	Head of Board of Supervisors
Mr. Trinh Manh Hoan	Member
Ms. Ha Hong Mai	Member

**Board of Management and Chief Accountant**

Mr. Nguyen Van Huong	Chief Executive Officer (Appointed on 07 December 2024) Acting as Chief Executive Officer (Resigned on 07 December 2024)
Mr. Tran Van Luan	Standing Deputy Chief Executive Officer (Appointed on 23 September 2024) Deputy Chief Executive Officer (Resigned on 23 September 2024) Standing Deputy Chief Executive Officer (Resigned on 25 April 2024)
Mr. Le Van Phu	Deputy Chief Executive Officer (Appointed on 12 March 2024)
Mr. Nguyen Trong Chien	Deputy Chief Executive Officer (Appointed on 12 March 2024)
Ms. Nguyen Thi Thu Ha	Deputy Head of Finance cum Chief Accountant
Ms. Dinh Thi Huyen Thanh	Chief Executive Officer (Resigned on 25 April 2024)
Mr. Dinh Thanh Nghiep	Deputy Chief Executive Officer (Resigned on 05 July 2024)
Mr. Nguyen Thanh To	Deputy Chief Executive Officer (Resigned on 21 May 2024)
Mr. Hoang Xuan Hiep	Deputy Chief Executive Officer (Resigned on 15 January 2024)

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**PROSPERITY AND GROWTH COMMERCIAL JOINT STOCK BANK**

16<sup>th</sup>, 23<sup>rd</sup> and 24<sup>th</sup> Floor, MIPEC Tower

229 Tay Son Street, Khuong Thuong Ward, Dong Da District

Hanoi, Vietnam

**STATEMENT OF THE BOARD OF MANAGEMENT  
(Continued)**

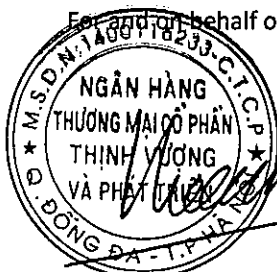
The Board of Management of the Bank is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Bank as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Management is required to:

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

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

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

For and on behalf of the Board of Management,



**Nguyen Van Huong**  
Chief Executive Officer

*Hanoi, 28 March 2025*

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No: 0923/VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

**To:** The Shareholders  
The Board of Directors and the Board of Management  
Prosperity and Growth Commercial Joint Stock Bank

We have audited the accompanying financial statements of Prosperity and Growth Commercial Joint Stock Bank (the "Bank"), prepared on 28 March 2025 as set out from page 05 to page 58, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and the cash flow statement for the year then ended, and a summary of accounting policies and other explanatory information.

### Board of Management's Responsibility

The Bank's Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

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

## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting.



Phạm Đan Linh

Deputy General Director

Audit Practising Registration Certificate

No.: 3001-2024-001-1

Doan Dieu Huyen

Auditor

Audit Practising Registration Certificate

No.: 5593-2025-001-1

**DELOITTE VIETNAM AUDIT COMPANY LIMITED**

28 March 2025

Hanoi, S.R Vietnam



STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Unit: VND million

NO.	ITEMS	Note	Closing balance	Opening balance
<b>A</b>	<b>ASSETS</b>			
I.	Cash, gold and gemstones	5	224,524	229,343
II.	Balances with the State Bank of Vietnam	6	2,197,457	1,601,718
III.	Placements with and loans to other credit institutions	7	23,801,965	14,270,357
1.	Placements with other credit institutions		23,801,965	14,270,357
IV.	Derivatives and other financial assets	8	1,948	1,161
V.	Loan to customers		40,811,502	34,983,261
1.	Loan to customers	9	41,236,482	35,335,012
2.	Provision for credit losses of loans to customers	10	(424,980)	(351,751)
VI.	Debts purchased	11	294,772	22,748
1.	Debts purchased		297,000	22,920
2.	Provision for credit losses of debts purchased		(2,228)	(172)
VII.	Investment securities	12	4,250,897	2,932,810
1.	Available-for-sale securities		1,937,014	2,225,648
2.	Held-to-maturity investment securities		2,739,483	949,273
3.	Provision for credit losses on investment securities		(425,600)	(242,111)
VIII.	Capital contribution, long-term investments	13	488	488
1.	Other capital contribution, long-term investments		529	529
2.	Provision for long-term investments		(41)	(41)
IX.	Fixed assets	14	248,219	277,365
1.	Tangible fixed assets	14.1	200,251	223,498
a.	Costs		488,264	478,524
b.	Accumulated depreciation		(288,013)	(255,026)
2.	Intangible fixed assets	14.2	47,968	53,867
a.	Costs		127,440	121,902
b.	Accumulated amortisation		(79,472)	(68,035)
X.	Other assets	15	1,183,343	1,171,867
1.	Receivables		643,257	528,992
2.	Interests and fees receivables		468,766	569,031
3.	Other assets		129,801	112,325
4.	Provision for other assets		(58,481)	(38,481)
	<b>TOTAL ASSETS</b>		<b>73,015,115</b>	<b>55,491,118</b>

The accompanying notes are an integral part of these financial statements



## STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

Unit: VND million

No	ITEMS	Note	Closing balance	Opening balance
<b>B.</b>	<b>LIABILITIES AND OWNER'S EQUITY</b>			
<b>I.</b>	<b>Debts to the Government and the State Bank of Vietnam</b>		<b>419,069</b>	<b>-</b>
		<b>16</b>		
1.	Deposits and borrowings from the Government and the State Bank of Vietnam		419,069	-
<b>II.</b>	<b>Deposits and borrowings from other credit institutions</b>	<b>17</b>	<b>20,660,560</b>	<b>13,568,062</b>
1.	Deposits from other credit institutions		20,660,560	13,568,062
2.	Borrowings from other credit institutions		-	-
<b>III.</b>	<b>Deposits from customers</b>	<b>18</b>	<b>43,325,745</b>	<b>35,729,811</b>
<b>IV.</b>	<b>Valuable papers issued</b>	<b>19</b>	<b>2,280,000</b>	<b>500,000</b>
<b>V.</b>	<b>Other liabilities</b>		<b>1,163,691</b>	<b>829,421</b>
1.	Interests and fees payables		791,219	706,228
2.	Other payables and liabilities	20	372,472	123,193
	<b>TOTAL LIABILITIES</b>		<b>67,849,065</b>	<b>50,627,294</b>
<b>VI.</b>	<b>Capital and reserves</b>			
1.	The Bank's capital	22	4,200,000	3,000,000
	<i>Charter capital</i>		<i>4,200,000</i>	<i>3,000,000</i>
2.	The Bank's reserves	22	320,256	378,272
3.	Retained earnings	22	645,794	1,485,552
	<b>TOTAL OWNER'S EQUITY</b>		<b>5,166,050</b>	<b>4,863,824</b>
	<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>		<b>73,015,115</b>	<b>55,491,118</b>

The accompanying notes are an integral part of these financial statements

## STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

Unit: VND million

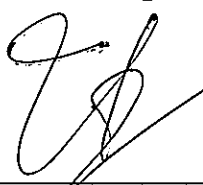
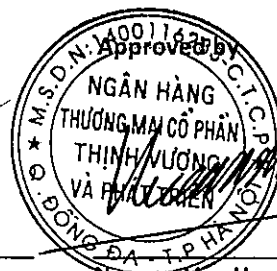
## OFF BALANCE-SHEET ITEMS

No	ITEMS	Note	Closing balance	Opening balance
I.	Contingent Liabilities		8,818,705	5,964,526
1.	Credit guarantees	35	40,712	12,976
2.	Foreign currency commitments	35	2,538,759	572,772
a.	Foreign currency purchase commitments		149,937	14,562
b.	Foreign currency sale commitments		127,065	36,405
c.	Swap commitments		2,261,757	521,805
3.	Letters of credit commitments	35	564,728	480,507
4.	Other guarantees	35	4,902,944	4,103,025
5.	Other commitments	35	771,562	795,247
6.	Uncollected interest from loans and fee receivables	36	683,839	652,104
7.	Bad debt written-off	37	2,865,745	2,843,727
8.	Assets and other documents	38	2,830,884	2,358,508

Prepared by


Hoang To Tam  
Specialist  
General Accounting Department

Approved by


Nguyen Thi Thu Ha  
Chief AccountantApproved by  
Nguyen Van Huong  
Chief Executive Officer

28 March 2025



## CASH FLOW STATEMENT

For the year ended 31 December 2024

Unit: VND million

	Note	Current year	Prior year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest and similar income received		3,597,075	3,453,845
Interest and similar expenses paid		(1,752,981)	(2,024,428)
Income from services rendered received		17,904	34,690
Net cash from dealing in foreign currency and trading securities		(838)	18,317
Other income		8,912	9,442
Cash recovered from bad debts written off or compensated by provision for credit losses		200,022	31,856
Payments to employees and for operation management		(900,034)	(769,714)
Corporate income tax paid	31	(51,090)	(79,158)
<b>Net cash flow from operating activities before changes in operating assets and working capital</b>		<b>1,118,970</b>	<b>674,850</b>
<b>Changes in operating assets</b>			
(Increases)/Decreases in trading securities		(1,501,575)	315,707
(Increases)/Decreases in derivative financial instruments and other financial assets/liabilities		(786)	12,484
(Increases) in loans to customers and debts purchased		(6,175,550)	(3,083,258)
(Decreases) in provision for credit losses on bad debts, corporate bonds and special bond settlements		(206,795)	(172,880)
(Increases)/Decreases in other operating assets		(133,630)	31,735
<b>Changes in operating liabilities</b>			
Increases in deposits and borrowings from the Government and the State Bank of Vietnam		419,069	-
Increases in deposits and borrowings from other credit institutions		7,092,498	2,627,447
Increases in deposits from customers		7,595,934	4,469,938
Increases in valuable papers issued (excluding valuable papers charged to financial activities)		1,780,000	-
Increases/(Decreases) in other operating liabilities		164,617	(973,104)
<b>Net cash generated by from operating activities</b>		<b>10,152,752</b>	<b>3,902,919</b>

The accompanying notes are an integral part of these financial statements

## CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2024

Unit: VND million

	Note	Current year	Prior year
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of fixed assets		(30,418)	(31,682)
Proceeds from sales, disposal of fixed assets		46	1,461
Dividends and profit received from long-term investments and capital contribution		148	132
<b>Net cash (used in) investing activities</b>		<b>(30,224)</b>	<b>(30,089)</b>
<b>Net cash flows for the year</b>		<b>10,122,528</b>	<b>3,872,830</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>16,101,418</b>	<b>12,228,588</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>33</b>	<b>26,223,946</b>	<b>16,101,418</b>

Prepared by


Hoang To Tam  
Specialist  
General Accounting Department

Approved by


Nguyen Thi Thu Ha  
Chief AccountantNguyen Van Huong  
Chief Executive Officer

28 March 2025

**NOTES TO THE FINANCIAL STATEMENTS***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***1. GENERAL INFORMATION OF THE BANK****Establishment and Operation**

Prosperity and Growth Commercial Joint Stock Bank (formerly Petrolimex Group Commercial Joint Stock Bank) (the "Bank"), formerly known as Dong Thap Muoi Rural Joint Stock Bank, was established under the Operation License No. 0045/NH-GP issued by the Governor of the State Bank of Vietnam ("SBV") on 13 November 1993 with an operation period of 20 years. According to Decision No. 368/QĐ-NHNN issued by the Governor of the State Bank of Vietnam on 8 February 2007, Dong Thap Muoi Rural Joint Stock Bank was approved to change its name to Petrolimex Group Commercial Joint Stock Bank. Operation time of the Bank has increased to 99 years since 13 November 1993 according to Decision No. 3061/QĐ-NHNN dated 30 December 2013 of the Governor of the State Bank of Vietnam. The latest amended establishment and operation license is the Bank Establishment and Operation No. 42/GP-NHNN issued by the State Bank of Vietnam on 16 June 2021. On 19 December 2023, according to Decision No. 2346/QĐ-NHNN of the State Bank of Vietnam on amending the content of the Bank's name in the Operation License, the Bank's full name in Vietnamese is Prosperity and Growth Commercial Joint Stock Bank, abbreviated name: PGBank.

The Bank's principal operating activities include implementing banking transactions which comprise of mobilizing and receiving short-term, medium-term and long-term deposits from organizations and individuals; providing short-term, medium-term and long-term loans to organizations and individuals on the basis of the nature and capability of the Bank's capital resources; conducting foreign exchange transactions; trade finance services, discounting of commercial papers, bonds and other valuable papers; providing brokerage services and other banking services permitted by the State Bank of Vietnam ("SBV").

**Charter capital**

At 31 December 2024, the charter capital of the Bank was VND 4,200,000 million.

**Locations and the Bank network**

The Bank's Head Office is located at 16<sup>th</sup>, 23<sup>rd</sup>, 24<sup>th</sup> Floor, MIPEC Tower, 229 Tay Son Street, Khuong Thuong Ward, Dong Da District, Hanoi. The total number of the Bank's network points as at 31 December 2024 was one (01) Head Office, twenty three (23) branches, sixty-four (68) transaction offices operating nationwide.

**Employees**

Total employees of the Bank as at 31 December 2024 are 1,921 (31 December 2023: 1,909).

**Disclosure of information comparability in the financial statements**

The comparative figures of the financial statement of financial position and accompanying notes are figures of the audited financial statements for the year ended 31 December 2023.

**2. BASIS FOR PREPARING FINANCIAL STATEMENTS AND FISCAL YEAR**

**Basis for preparing financial statements**

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. However, due to the Bank's large scale of operation, for the purpose of preparing these financial statements, the figures are rounded to and presented in millions of Vietnam Dong (VND Million). This presentation does not materially impact the financial statements in terms of the financial position, the results of operations and cash flows of the Bank. With regard to the number of shares, the Bank presented the items in units as shown in Note 22.3.

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

**Fiscal year**

The Bank's financial year begins on 01 January and ends on 31 December.

**3. APPLY THE NEW GUIDANCE**

**Law on Credit Institutions No. 32/2024/QH15 dated 18 January 2024**

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

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

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

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

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

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

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

***Decree No. 86/2024/ND-CP dated 11 July 2024***

On 11 July 2024, the Government issued Decree No. 86/2024/ND-CP ("Decree 86") regulating the level of deductions, methods of setting up risk provisions, and the use of provisions to handling risks in the operations of credit institutions, foreign bank branches and cases where credit institutions allocate interest receivables that must be withdrawn. Decree 86 takes effect from 11 July 2024.

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

- Regarding the scope of adjustment in the classification of assets with credit risk, Circular 31 supplements debts arising from letter of credit operations and eliminates purchases of promissory notes and bills of credit issued by credit institutions, other foreign bank branches issuing domestically;
- Regarding debt classification methods and principles, Circular 31 amends and supplements classification principles for entrusted amounts to issue letters of credit; Debts that credit institutions receive and are forced to sell to credit institutions that are forced to be transferred according to a mandatory transfer plan approved by a competent authority, but the debt sale proceeds have not been fully collected; The amount of money purchased or entrusted to another organization to buy unlisted bonds can extend the bond term according to the provisions of law; Discounts on negotiable instruments and other valuable papers; Debts arising from letter of credit operations; Loans and deposits of supporting credit institutions at credit institutions are under special control; loans, guarantees, deposits of credit institutions receiving compulsory transfer and other credit institutions at commercial banks receiving compulsory transfer; Debts have restructured repayment terms;
- For debts that are exempted or reduced in interest according to the State Bank's regulations on restructuring debt repayment terms, exempting or reducing interest and fees, maintaining the same debt group to support customers affected by the Covid - 19 epidemic are allowed to be reclassified into lower risk debt groups (including group 1) when fully meeting the conditions prescribed in Circular 31;



- The deductible value of collateral must be considered zero for specific cases specified in Decree 86;
- Other debts arising between credit institutions and foreign bank branches in Vietnam from activities within the scope of Decree 86 are not subject to general provisioning.

***Decision No. 1510/QĐ-TTg and Circular No. 53/2024/TT-NHNN dated 04 December 2024***

On 04 December 2024, the Prime Minister issued Decision No. 1510/QĐ-TTg ("Decision 1510") on the classification of assets, the risk provisioning levels and methods, and the use of provisions to handle risk related to loans of customers facing difficulties due to the impact and damage of Storm No. 3. On the same day, the State Bank of Vietnam (SBV) issued Circular No. 53/2024/TT-NHNN ("Circular 53") stipulating the restructuring of loan repayment terms for customers facing difficulties due to the impact of Storm No. 3 and flooding, landslides in the aftermath of Storm No. 3. Decision 1510 and Circular 53 take effect from 04 December 2024.

Key provisions of Decision 1510 and Circular 53 that have an impact on the Bank's financial statements for the current year include the following:

- Regulations on the conditions of loans eligible for restructuring, including the outstanding principal and/or interest that are restructured in terms of repayment deadlines, and the permission to maintain the debt group and classification after restructuring debt repayment terms; and
- Regulations for the restructuring of debt repayment terms for eligible customers under Circular 53 which will be implemented from the effective date of this Circular until 31 December 2025, with no limitation on the number of times repayment terms can be restructured.

The Bank has applied the Law on Credit Institutions 2024, Decree 86, Decision 1510 and these Circulars in the Bank's financial reporting for the year ended 31 December 2024.

**New guidances have been issued but not yet applied**

***Law No.56/2024/QH15 dated 29 November 2024***

On 29 November 2024, the National Assembly of Vietnam issued Law No.56/2024/QH15 ("Law No. 56") amendments to Law on Securities, Law on Accounting, Law on Independent Audit, Law on State Budget, Law on Management and Use of Public Property, Law on Tax Administration, Law on Personal Income Tax, Law on National Reserves, and Law on Penalties for Administrative Violations. The Law No.56 takes effect from 01 January 2025, except for some provisions effective from 01 April 2025 and 01 January 2026.

The Bank assesses that the application of Law No. 56 will not have a material impact on the comparative figures in the Bank's future financial statements.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following are the main accounting policies applied by the Bank in preparing its own financial statements:

**Accounting estimates**

The preparation of financial statements complies with accounting standards, accounting regimes applicable to credit institutions in Vietnam and legal regulations related to the preparation and presentation of financial statements that require the Board of Management to make estimates and

assumptions affecting the reported data on debts, assets and the presentation of liabilities and potential assets at the date of preparation of the financial statements as well as reported figures on revenues and expenses throughout the fiscal year. Although accounting estimates are made to the best of Board of Management's knowledge, the actual results may differ from those set forth in the estimates and assumptions.

#### **Foreign currency**

According to the Bank's accounting system, all the transactions are recorded in original currencies. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated into VND using the average buying and selling spot exchange rates at the end of the balance sheet date if the difference between this rate and the weighted average exchange rate of buying and selling of the same day is less than 1% (see details of foreign currency rates applied as at 31 December 2024 in Note 46). In case the buying and selling spot exchange rate at the end date of the balance sheet date is greater than or equal to 1% compared with the weighted average buying and selling spot exchange rate of that day, the Bank uses the weighted average buying and selling spot exchange rates on the statement of financial position date for conversion. Income and expenses arising in foreign currencies of the Bank are converted into VND at exchange rates ruling at the transaction dates. At the end of the year, exchange rate differences arising from the revaluation of assets and liabilities denominated in foreign currencies into VND are recorded in "Net gain/(loss) from foreign currency trading" in the statement of profit or loss.

#### **Cash and cash equivalents**

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

#### **Placements with and loans to other credit institutions**

Placements with and loans to other credit institutions are presented at their principal amounts outstanding at the end of the financial year.

The credit risk classification for placements with and loans to other credit institutions are classified and provisioned with Circular 31 and Decree 86. Accordingly, the Bank makes specific provisions for deposits (except for current deposits at other domestic credit institutions and foreign bank branches, and placements with Vietnam Bank for Social Policies following the regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law and deposits (except for current deposits) at overseas credit institutions in a similar way to those for loans to customers.

#### **Derivatives**

##### ***Foreign currency forward and swap contracts***

For foreign currency forward and swap contracts, the difference between equivalent VND amounts of foreign currency purchase/sale commitments using forward exchange rate and spot exchange rate as at effective date of the contract is recognized immediately at the effective date of the contract in line "Interest and fee receivables" item or "Interest and fee payables" item in the statement of financial position. The difference is subsequently allocated to "Net gain/(loss) from foreign currency trading" item using straight-line method over the term of the contract.

As at the date of the financial statements, commitments of foreign currency forward and swap contracts are revaluated and exchange differences arising from the revaluation of foreign currency denominated balances of forward contracts are recognized in the "Net gain/(loss) from foreign currency trading" item in the statement of profit or loss.

#### **Loans to customers**

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

Short-term loans are those with a repayment date within less than 1 year of the loan disbursement date. Medium-term loans are those with a repayment date between 1 to 5 years of the loan disbursement date. Long-term loans are those with a repayment date of more than 5 years from the loan disbursement date.

Loans to customers are derecognized when the rights to receive cash flows from the loans end or when the Bank transfers to the buyer the significant risks and rewards associated with the ownership of the loans.

For the loans sold to Vietnam Asset Management Company ("VAMC"), the Bank shall remove them from the statement of financial position in accordance with the guidance in Official Letter No. 8499/NHNN-TCKT dated 14 November 2013 issued by the SBV ("Official Letter 8499") and Official Letter No. 925/NHNN-TCKT dated 19 February 2014 issued by the SBV ("Official Letter 925").

#### **Provision for credit losses**

##### *Classification of loans and provision for credit losses*

In accordance with Circular 31 and Decree 86, credit institutions are required to implement loan classification and credit risk provisioning. Loan classification and credit risk provisioning in compliance with Circular 31 and Decree 86 are applied to Assets (hereinafter referred to as "debts") including:

- Loans;
- Financial leasing;
- Discounts, rediscounts of negotiable instruments and other valuable papers;
- Factoring;
- Credit facilities in the form of credit card issuance;
- Payments on behalf under off-balance-sheet commitments include payments made on behalf of customers under transactions of guarantee and letters of credit (L/C) (except for payments made on behalf of customers under transactions of Usance Payable at Sight (UPAS) L/C that allow the beneficiary to be paid immediately or before the L/C due date, and those under transactions of L/C reimbursement as agreed with customers using the reimbursing bank's funds from the date the reimbursing bank pays the beneficiary; transactions of L/C payment negotiation) and other payments made on behalf of customers under off-balance sheet commitments;
- Amounts for purchase and entrustment of purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on stock exchanges or have not yet been registered for trading on the Upcom trading market (hereinafter referred to as unlisted bonds), excluding the purchase of unlisted bonds with trusted funds to which the trustee bears the risk;
- Credit granting entrustment;
- Deposits (except for current accounts at other domestic credit institutions and foreign bank branches, and deposits at Vietnam Bank for Social Policies following regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law and deposits (except for current deposits) at overseas credit institutions;

- Debt sale and purchase according to the State Bank's regulations except for bad debt buying and selling transactions conducted between credit institutions or foreign bank branches and Vietnam Asset Management Company (VAMC);
- Repurchase of Government bonds in the stock market following the law on issuance, registration, depository, listing and trading of Government debt securities in the stock market;
- Purchase of certificates of deposit issued by other credit institutions and foreign bank branches;
- Transactions of Usance Payable at Sight (UPAS) L/C that allow the beneficiary to be paid immediately or before the L/C due date, and those under transactions of L/C reimbursement as agreed with customers using the reimbursing bank's funds from the date the reimbursing bank pays the beneficiary; transactions of L/C payment negotiation; and
- Outright purchase without recourse of sets of documents presented under L/Cs, except where a commercial bank or foreign bank branch purchases outright without recourse of documents presented under an L/C which it issued.

Accordingly, customers' loans are determined to be in the higher risk group of the classification made under Article 10 of Circular 31 and customers' debt group provided at the time of loan classification by the Credit Information Center ("CIC") of the SBV.

The Bank maintains the debt group for a number of loans as stipulated in Circular No. 02/2023/TT-NHNN ("Circular 02") and Circular No. 06/2024/TT-NHNN ("Circular 06") amending and supplementing a number of articles of Circular 02 providing instructions for credit institutions and foreign bank branches on debt rescheduling and debt category maintaining to assist borrowers in difficulty.

Loans are classified by risk level into: Standard, Special mention, Substandard, Doubtful and Loss. Loans classified as either Substandard, Doubtful or Loss are considered as bad debts. Loan classification and provision for credit losses will be made at the end of each month and recognised in the following month. Provision for credit losses as at 31 December 2024 is recognized in the statement of profit or loss for the financial year incurred.

Net credit risk exposure for each item is calculated by subtracting from the remaining loan balance the discounted value of collateral which is subject to discount rates in accordance with Decree 86 from the remaining loan balance. Specific provision is made based on the net credit risk exposure of each item using the prescribed provision rates as follows:

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

In accordance with Circular 02, the Bank determines and records a specific amount of provision that must be additionally made for all outstanding loans of customers whose outstanding balances have been restructured debt repayment terms according to the result of debt classification in accordance with Circular 31 (if do not apply the regulations on maintaining the debt group in accordance with Circular 02) are as follows:

- Up to 31 December 2023: at least 50% of the additional specific provision;
- Up to 31 December 2024: 100% of the additional specific provision;

In accordance with Decree 86, a general provision is made for credit losses which are yet to be identified during the loan classification and specific provisioning process as well as in cases where the Bank encounters potential financial difficulty due to the deterioration in loan quality. Accordingly, the Bank is required to fully make and maintain a general provision at 0.75% of total loans which are classified in group 1 to 4 excluding deposits at credit institutions, foreign bank branches in accordance with law and at overseas credit institutions; loans, termed purchase of valuable papers among credit institutions and foreign bank branches in Vietnam; purchases of promissory notes, bills, certificates of deposit or bonds issued by other credit institutions and foreign bank branches onshore; and repurchase agreements of government bonds in accordance with Decree 86 and other debts derived from the operations specified in clause 2 Article 3 of Decree 86 between credit institutions and foreign bank branches in Vietnam as prescribed by law.

#### **Writing off bad debts**

Provision is recorded in the statement of profit or loss as an expense and will be used to write off bad debts. In accordance with Decree 86, the Bank must set up Risk Settlement Committee to write off bad debts if they are classified into Group 5, or if legal entity borrowers are liquidated or bankrupted, or if individual borrowers are deceased or missing.

#### **Debt purchased**

Debts purchased are recognized on the basis of amounts paid to purchase the debts and classified into group with a risk level not lower than that of group before purchased.

In case the debt purchase price is less than or equal to the principal balance of the purchased debt.

The principal amount collected under the credit contract of the purchased debt, the credit institution or foreign bank branch purchasing the debt, recording the recovery into the amount purchased. In case, the debt purchase amount has been fully recovered, the remaining principal amount (the remaining difference between the principal amount of the purchased debt and the debt purchase amount) is recognized in income.

The amount of and interest earned under the credit contract of the purchased debt, the credit institution or foreign bank branch purchasing the debt records in income.

In case the debt purchase price is greater than the principal balance of the purchased debt.

The principal and interest amount collected under the credit contract of the purchased debt, the credit institution or foreign bank branch purchasing the debt, recording the recovery into the amount purchased. At the time when the remaining amount of purchased debt is less than or equal to the principal balance of the purchased debt at that time, the amount of principal and interest collected under the credit contract of the purchased debt, credit institutions, foreign bank branches that purchase debt shall handle according to the provisions.

If the debt purchase amount cannot be fully recovered, the credit institution or foreign bank branches shall handle the unrecoverable amount in accordance with regulations on financial regime of the credit institution, foreign bank branches and relevant laws.

The Bank classifies and makes provision of debts purchased in compliance with regulations of making provision and using provision to write off bad debts presented in Note on Provision for credit losses.

#### Classification of off-balance-sheet commitments

The Bank classifies guarantee, acceptances of payment and unconditional, irrevocable loan commitments with specific effective date (collectively referred to as "off-balance-sheet commitments") into groups as stipulated in Article 09, Article 10 or Article 11 of Circular 31 and the customer's debt group provided by the Credit Information Center ("CIC") of the State Bank of Vietnam. Accordingly, off-balance-sheet commitments are classified by risk level as follows: Standard, Special mention, Substandard, Doubtful and Loss.

#### Investments

##### *Investment securities*

##### *Available-for-sale securities*

Available-for-sale securities include debt and equity securities that the Bank holds less than 20% of voting rights for investment and ready-for-sale purposes. These securities are not frequently traded but can be sold at any time once they are profitable, and the Bank is neither the founding shareholder/strategic partner nor capable of controlling, to some extent, the process of initiating and approving financial and operational policies of the investee through a written agreement on delegating personnel for representation in the Board of Directors/Board of Management.

Available-for-sale equity securities are recognized at cost at the transaction date and subsequently recorded at cost during the holding period. Available-for-sale debt securities are initially recognized at par value at the transaction date. Accrued interest before the acquisition date (for debt securities with interest payment in arrears) or interest income received upfront awaiting amortisation (for debt securities with interest payment in advance) is recorded in a separate account. Any discount or premium, which is the difference between the cost and the amount equal to par value plus (+) accrued interest before the acquisition date (if any) or minus (-) interest received upfront awaiting amortisation (if any), is also recorded in a separate account.

During the term of those securities, available-for-sale securities are recorded at par value minus/plus remaining discount/premium after being amortised into the statement of profit or loss using the straight-line method over the remaining term of securities. Interest payment in arrears is recorded as follows: accumulative interest income before the purchasing date is deducted from the cost of such securities and the same amount is credited into the accrued interest income; accumulative interest income after the purchasing date is recognised as the Bank's income on an accrual basis. Interest received upfront is amortised into the statement of profit or loss using the straight-line method over the investment period.

Periodically, available-for-sale securities are subject to impairment review. Provision for securities that are fallen within the scope of Decree 86 are made in accordance with Decree 86. Provision for impairment of securities that are not fallen within the scope of Decree 86 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the statement of profit or loss as "Net gain/(loss) from investment securities".

##### *Transactions of debts purchasing between Vietnam Asset Management Company ("VAMC") and other credit institutions*

Special bonds issued by VAMC are term valuable papers issued by VAMC for purchasing bad debts of the Bank.

The Bank accounts for bad debt sold in exchange for special bonds issued by VAMC in accordance with guidance in Official Letter No. 8499/NHNN-TCKT issued by the SBV on 14 November 2013 ("Official Letter 8499") and Official Letter No. 925/NHNN-TCKT issued by the SBV on 19 February 2014 ("Official Letter 925"). The special bonds are classified as held-to-maturity securities, initially measured at par value at transaction date and subsequently measured at par value less allowance for losses.

For each bad debt amounts sold to VAMC, the Bank receives one special bond issued by VAMC. Par value of special bonds equals to carrying amount of loan principal balance of the bad debt less specific allowance made but not yet utilized for such bad debt.

Upon completing the procedures of selling bad debts, the Bank writes down the book value of the bad debts, uses the specific allowance made but not yet utilized and derecognize interest receivables recorded in off-balance sheet account. At the same time, the Bank recognizes special bonds issued by VAMC as held-to-maturity securities issued by local economic entities.

For special bonds issued by VAMC, specific allowance is calculated and provided in accordance with the guidance in Circular No. 19/2013/TT-NHNN dated 6 September 2013 issued by the SBV on the purchase, sale, settlement of bad debts of VAMC ("Circular 19") and Circular No. 14/2015/TT-NHNN dated 28 August 2015 issued by the SBV, Circular No. 08/2016/TT-NHNN dated 16 June 2016 issued by the SBV and Circular No. 09/2017/TT-NHNN dated 14 August 2017 issued by the SBV on amendments and supplement to some articles of Circular 19.

Accordingly, the minimum specific allowance required to be provided each year during the term of special bonds is the positive difference between the (Par value of the special bonds divided by the term of the bonds multiplied with the number of accumulated years from the issuance date) less (The accumulated total debt collecting amount of the relevant bad debts as of the provision date and the accumulated specific allowance made as of the preceding provision date of the bonds). On an annual basis within 05 working days prior to the corresponding date of the maturity date of special bonds, the Bank makes the above specific allowance once and is not required to make general allowance for the special bonds.

Provision for special bonds is recognized in the statement of profit or loss of the Bank.

#### ***Reclassification***

According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, reclassification after transaction date is made only once for each item of investment securities. In special cases or in case a large number of securities has to be reclassified (greater than or equal to 50% of total value of the portfolio), the Bank will disclose the effect of reclassification on total assets, liabilities, equity, income and expenses of the Bank in the financial statements.

#### ***Other long-term investments***

Other long-term investments represent the Bank's capital investments in other enterprises at which the Bank neither have control nor significant influence. The investments are initially recognized at cost at the transaction date and always carried at that cost during the subsequent holding period.

#### ***Provision for impairment of investments***

Provision for impairment of investments in subsidiaries, joint ventures, associates and other long-term investments is made when the investee is operating at loss in accordance with prevailing accounting regulations.

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

***Recognition***

The Bank recognizes investment securities and other investments at the date when contracts are signed and effective (transaction-date based policy). Investment securities and other investments are initially recognized at cost. After initial recognition, investment securities and other investments are recognized under the above accounting policies.

***Derecognition***

Investments in securities are derecognized when the rights to receive cash flows from the investments end or when the Bank transfers to the buyer the significant risks and rewards associated with the ownership of the investments.

**Repurchase and reverse repurchase agreements**

Securities sold under agreements to repurchase at a specific date in the future (repos) are recorded in the financial statements. The corresponding cash receipt is recognized in the statement of financial position as a liability. The difference between the sale price and the repurchase price is allocated to the statement of profit or loss over the agreement validity period using the straight-line method based on the contractual interest rate.

Securities purchased under agreements to resell at a specific date in the future (reverse repos) are not recognized in the financial statements. The corresponding cash payment is recognized in the statement of financial position as "Loans to customers". The difference between the purchase price and resale price is allocated to the statement of profit or loss over the agreement validity period using the straight-line method based on the contractual interest rate.

**Trust activities and trusted funds**

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

**Tangible fixed assets**

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

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



### Intangible assets

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

Expenditures for improvements and renewals are capitalized; other expenditures are charged to the statement of profit or loss when incurred. When intangible assets are sold or disposed, their cost and accumulated amortisation are written off from the statement of financial position and any gains or losses resulting from their disposals are recorded in the statement of profit or loss.

### Leasing

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

At the date of receiving the leased items, the Bank recognizes assets held under finance leases as fixed assets and liabilities under finance leases in the statement of financial position at the fair value of the lease assets or, if lower, at the net present value of the minimum lease payments. Finance lease payments are divided into financial expenses, which comprises interest on finance lease and principal payable in each period in equal instalments.

Finance lease assets are depreciated in the same way as applicable to other fixed assets of the same group owned by the Bank. If there is uncertainty that the Bank will purchase the lease assets at the end of the lease term, finance lease assets are depreciated over the lease term stated in the contracts or, if shorter, the useful life of the lease assets.

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

### Depreciation and amortization

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

<u>Assets</u>	<u>Estimated useful live</u> <u>(Years)</u>
Buildings and structures	5 – 50
Machinery and equipment	5 – 7
Motor vehicles	8 – 10
Management tools and equipment	3 – 5
Other tangible fixed assets	4 – 5
Computer software	1 – 5
Other intangible assets	2 – 4

The cost of the land use rights is not amortized if it is granted by the Government of Vietnam for an indefinite term. The cost of the land use rights with definite term is amortized over the granted term.

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### **Prepayments**

Prepayments include actual expenses that have arisen but are related to the results of production and business activities of multiple accounting periods. Prepayments comprise prepaid office rentals and other long-term prepaid expenses.

Office rentals represent the amounts which have been paid in advance. Prepaid office rental is charged to the statement of profit or loss using the straight-line method over the rental period.

Other long-term prepayments include repair, maintenance costs for assets, costs of tools and supplies issued for consumption, which are expected to provide future economic benefits to the Bank. These expenses are capitalized as prepayments, and are allocated to the statement of profit or loss using the straight-line method over the period of one year or more, but not exceeding three years in accordance with prevailing accounting regulations.

### **Receivables**

Receivables other than those from credit activities in the Bank's operation are initially recognized at cost and subsequently recorded at cost. Other receivables are subject to impairment review based on the overdue status or based on the expected loss for the following cases: institutional debtors who have fallen into bankruptcy or have been in the process of dissolution; or individual debtors who are missing, escaping, prosecuted, on trial or passed away even though receivables are not overdue. Provision expense incurred is recorded as "Operating expenses" in the statement of profit or loss during the year.

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

### **Other provisions**

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

### **Capital and reserves**

#### ***Common shares***

Common shares are classified as owners' equity of the Bank.

#### ***Reserves***

Reserves are used for specific purposes and are appropriated from the Bank's profit after tax based on the regulated ratios in the following sequence:

- Charter capital supplementary reserve: 10% of profit after tax but not exceeding the Bank's charter capital;
- Financial reserve fund: 10% of profit after tax;
- Other reserves, if any, will be approved by the shareholders at the Annual General Shareholders' Meeting.

**Revenue and expenses**

***Interest income and interest expense***

Income from interest and interest expenses are recognized in the statement of profit or loss on the accrual basis. The accrued interest income arising from the loans that are classified from group 2 to group 5 in accordance with Circular 31, accrued interest income on loans restructured and maintained as Standard loan groups (group 1) as prescribed in Circular 02, Circular 06 will not be recognized in the statement of profit or loss. Accrued interest income on such loans is recorded as an off-balance-sheet item and is recognized in the statement of profit or loss when it is actually received.

Income and expenses from interest on investments in securities are recorded on the accrual basis. Accrued interest income of overdue securities is not recognized in the statement of profit or loss for the year and is recorded as an off-balance sheet item and is only recognized in the statement of profit or loss when it is actually received.

***Income from service charges and commissions***

Income from service charges and commissions is recognized on the accrual basis.

***Income from guarantee activities***

Income from guarantee activities is recognized on the accrual and allocation bases.

***Recognition of dividends and profits received***

Cash dividends and profits received from investment and capital contributions activities are recorded in the statement of profit or loss when the Bank's right to receive dividends and profits has been established. Share dividends, which are distributed from profits of joint stock companies, are recognized neither as an increase in the value of received shares nor financial income in the financial statements but are only used for tracking the increase in the number of shares according to Circular No. 22/2017/TT-NHNN dated 29 December 2017 issued by the State Bank of Vietnam.

**Taxation**

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

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

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

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

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

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

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

### **Employee benefits**

#### *Post-employment benefits*

Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency, under the Ministry of Labour, 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% of the employee's monthly salary for their working period. In addition, the Bank also uses its Welfare Fund to pay one-time retirement benefits to employees under the Bank's regulations.

#### *Severance allowance*

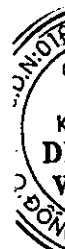
According to Article 46 of Labour Code 2019, the Bank is responsible to pay severance allowance for employees who have regularly worked at the Bank for 12 months or more, half-month salary allowance for each working year before 01 January 2009. The working period used for calculation of severance allowance excludes the period that employees benefit from unemployment insurance and the working period that employees have received severance allowance, retrenchment benefit from employers.

#### *Retrenchment benefits*

According to Article 47 of Labor Code 2019, the Bank is responsible to pay retrenchment benefits for employees who have regularly worked at the Bank for 12 months or more but are retrenched from their jobs as a result of organizational restructuring, technological changes, economic reasons, business combination, consolidation or split. For each year of employment, the employee is entitled to one-month salary but not less than two times the average salary of 06 consecutive months immediately preceding the job loss date. The working period used for calculation of retrenchment benefits excludes the period that employees benefit from unemployment insurance and the working period that employees receive severance allowance, retrenchment allowance from employers.

#### *Unemployment insurance*

According to Circular No. 15/2023/TT-BLĐTBXH dated 29 December 2023 ("Circular 15") of the Ministry of Labor - Invalids and Social Affairs amending certain articles of Circular No. 28/2015/TT-BLĐTBXH dated 31 July 2015 ("Circular 28") guiding the implementation of Article 52 of the Employment Law in 2013 and Decree No. 28/2015/ND-CP of the Government dated 12 March 2015 regulating the implementation of the Employment Law's provision on unemployment insurance, from 01 January 2009, the Bank is obliged to pay unemployment insurance for eligible employees at 1% of their salary fund allocated for unemployment insurance.



## Related parties

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

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

## Offsetting

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

### 5. CASH, GOLD, AND GEMSTONES

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Cash on hand in VND	205,721	219,792
Cash on hand in foreign currencies	18,803	9,551
	<u>224,524</u>	<u>229,343</u>

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

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Balances with the SBV in VND	2,193,739	1,597,364
Balances with the SBV in foreign currencies	3,718	4,354
	<u>2,197,457</u>	<u>1,601,718</u>

Balances with the SBV include demand deposits and compulsory deposits. According to the regulations of the SBV, the Bank must maintain a certain reserve at the SBV in the form of compulsory reserve. The average monthly required reserve balance must not be lower than the previous month's average deposit balance multiplied by the corresponding required reserve ratio.

Required reserve ratio at the end of the year and the beginning of the year:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Deposits with term of less than 12 months in VND	3%	3%
Deposits with term of 12 months or more in VND	1%	1%
Deposits with term of less than 12 months in USD	8%	8%
Deposits with term of 12 months or more in USD	6%	6%

Interest rates at the end of the year and the beginning of the year:

	<u>31 December 2024</u>	<u>31 December 2023</u>
Compulsory reserve in VND	0.5%	0.5%
Non-compulsory reserve in VND	0%	0%
Compulsory reserve in USD	0%	0%
Non-compulsory reserve in USD	0%	0%

#### 7. PLACEMENTS WITH OTHER CREDIT INSTITUTIONS

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Placements with other credit institutions	23,801,965	14,270,357
Demand deposits	5,064,162	3,070,357
- In VND	4,618,198	2,656,897
- In foreign currencies	445,964	413,460
Term deposits	18,737,803	11,200,000
- In VND	17,950,000	11,200,000
- In foreign currencies	787,803	-
	<u>23,801,965</u>	<u>14,270,357</u>

Analysis of placements with other credit institutions (excluding current accounts in local credit institutions, foreign banks' branches in Vietnam and demand deposits in foreign credit institutions under Circular 31) and loans to other credit institutions by quality:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Standard	18,737,803	11,249,590
	<u>18,737,803</u>	<u>11,249,590</u>

8. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

Details of derivatives as at 31 December 2024 are as follows:

	Closing balance		Opening balance	
	Total accounting value		Total accounting value	
	The total value of the contract	Assets/(Liabilities)	The total value of the contract	Assets/(Liabilities)
	VND million	VND million	VND million	VND million
Currency derivatives	2,465,967	1,948	1,489,277	1,161
Currency forwards	202,318	422	969,394	3,083
Currency swaps	2,263,649	1,526	519,883	(1,922)
	<u>2,465,967</u>	<u>1,948</u>	<u>1,489,277</u>	<u>1,161</u>

9. LOANS TO CUSTOMERS

	Closing balance	Opening balance
	VND million	VND million
Loans to local economic entities and individuals	41,235,326	35,333,856
Loans by funding, investment entrusts	1,156	1,156
	<u>41,236,482</u>	<u>35,335,012</u>

Analysis of loan portfolio by quality:

	Closing balance		Opening balance	
	VND million	%	VND million	%
Standard	39,555,514	95.92	33,502,959	94.82
Special mention	620,051	1.50	823,779	2.33
Sub-standard	182,232	0.44	221,231	0.63
Doubtful	259,971	0.63	293,570	0.83
Loss	618,714	1.51	493,473	1.39
	<u>41,236,482</u>	<u>100.00</u>	<u>35,335,012</u>	<u>100.00</u>

Analysis of loans portfolio by original term:

	Closing balance	Opening balance
	VND million	VND million
Short-term loans (under one year)	23,240,985	19,125,612
Medium-term loans (from one year to five years)	5,152,172	4,215,036
Long-term loans (over five years)	12,843,325	11,994,364
	<u>41,236,482</u>	<u>35,335,012</u>

Analysis of loan portfolio by currency:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Loans denominated in VND	40,855,919	34,690,606
Loans denominated in foreign currencies	380,563	644,406
	<u>41,236,482</u>	<u>35,335,012</u>

Analysis of loan portfolio by type of businesses:

	<u>Closing balance</u>		<u>Opening balance</u>	
	VND million	%	VND million	%
State owned entities	50,451	0.12	210,845	0.60
One-member limited liability companies of greater than 50% State-owned equity	550,197	1.33	177,610	0.50
Other types of limited liability companies	5,568,491	13.50	4,767,269	13.49
The Joint-stock company of which over 50% of Stated-owned equity	106,523	0.26	104,923	0.30
Private entities	11,225	0.03	8,422	0.02
Other types of joint stock companies	17,126,019	41.53	14,843,674	42.01
Foreign invested companies	220,931	0.54	600,896	1.70
Cooperatives and cooperative unions	41,889	0.10	5,627	0.02
Household businesses and individuals	17,307,958	41.97	14,560,599	41.21
Other sectors	252,798	0.62	55,147	0.15
	<u>41,236,482</u>	<u>100.00</u>	<u>35,335,012</u>	<u>100.00</u>



Analysis of loan portfolio by sector:

	Closing balance		Opening balance	
	VND million	%	VND million	%
Agriculture, forestry and fisheries	3,022,579	7.33	2,239,021	6.34
Mining	233,233	0.57	142,060	0.40
Manufacturing and processing	754,812	1.83	604,795	1.71
Electricity, petroleum, hot water, steam and air conditioner manufacturing and distribution	314,404	0.76	197,157	0.56
Construction	4,609,840	11.18	3,955,534	11.19
Wholesale and retail; repair of motor vehicles, motorcycles and others vehicles	3,633,276	8.81	3,905,185	11.05
Accommodation and food services	754,679	1.83	905,616	2.56
Transport and warehousing	1,005,695	2.44	988,639	2.80
Financial and insurance activities	5,884,266	14.27	4,065,154	11.50
Specialization, scientific and technology activities	135,405	0.33	63,207	0.18
Administration activities and supporting services	40,262	0.10	23,986	0.07
Education and training	130,484	0.32	64,235	0.18
Health and social assistance activities	231,377	0.56	195,796	0.55
Art, amusement, entertainment	83,666	0.20	57,523	0.16
Real estate business	3,529,288	8.56	2,099,411	5.94
Water supplying, waste and sewage processing and management	24,030	0.06	28,590	0.08
Employment activities in households, goods production and services rendering for household self-consumption	2,451,302	5.94	338,534	0.96
Information and communication	61,010	0.15	37,899	0.11
Other service activities	14,336,874	34.76	15,384,250	43.54
Activities of the Communist Party, socio-political organizations, state management, international security	-	0.00	31,324	0.09
Industry of international organizations and agencies	-	0.00	7,096	0.03
	<b>41,236,482</b>	<b>100.00</b>	<b>35,335,012</b>	<b>100.00</b>

10. PROVISIONS FOR CREDIT LOSSES OF LOANS TO CUSTOMERS

Movements in provisions for credit losses of loans to customers for the year ended 31 December 2024 are as follows:

	Specific provision	General provision	Total
	VND million	VND million	VND million
Opening balance	90,440	261,311	351,751
Provision made during the year	187,506	40,210	227,716
Provision used for bad debts written off during the year	(154,487)	-	(154,487)
Closing balance	123,459	301,521	424,980

Movements in provisions for credit losses on loans to customers for the year ended 31 December 2023 are as follows:

	Specific provision	General provision	Total
	VND million	VND million	VND million
Opening balance	69,215	213,660	282,875
Provision made during the year	99,330	47,651	146,981
Provision used for bad debts written off during the year	(78,105)	-	(78,105)
Closing balance	90,440	261,311	351,751

11. DEBTS PURCHASED

	Closing balance	Opening balance
	VND million	VND million
Debts purchased by VND	297,000	22,920
Provision for credit losses of debts purchased	(2,228)	(172)
	294,772	22,748

The value of principal of the debts purchased

	Closing balance	Opening balance
	VND million	VND million
Principal amount of debts purchased	297,000	22,920
	297,000	22,920

Analysis of debts purchased by quality

	Closing balance	Opening balance
	VND million	VND million
Standard	297,000	22,920
	297,000	22,920

**12. INVESTMENT SECURITIES**

**12.1 Available-for-sale investment securities**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
<b>Debt securities</b>	<b>1,711,676</b>	<b>2,225,648</b>
Debt securities issued by the Government	1,711,676	1,725,646
Debt securities issued by domestic economic entities	-	500,002
<b>Equity securities</b>	<b>225,338</b>	<b>-</b>
Equity securities issued by domestic economic entities	225,338	-
<b>Provision for impairment of available-for-sale securities</b>	<b>(57,337)</b>	<b>(3,750)</b>
Provision for impairment	(57,337)	-
General provision	-	(3,750)
	<u><b>1,879,677</b></u>	<u><b>2,221,898</b></u>

**12.2 Investment securities held to maturity (excluding special bonds)**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
<b>Debt securities</b>	<b>1,600,000</b>	<b>-</b>
Debt securities issued by other domestic credit institutions	1,600,000	-
	<u><b>1,600,000</b></u>	<u><b>-</b></u>

Analysis of debt securities issued by other domestic credit institutions under Circular 31 by quality:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Standard	1,600,000	-
	<u><b>1,600,000</b></u>	<u><b>-</b></u>

**12.3 Special bonds issued by VAMC**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Par value of special bonds	1,139,483	949,273
Provision for special bonds	(368,263)	(238,361)
	<u><b>771,220</b></u>	<u><b>710,912</b></u>

**12.4 Movements in provision for impairment of investment securities (excluding special bonds)**

	<u>Provision for impairment</u>	<u>General provision</u>	<u>Total</u>
	VND million	VND million	VND million
Opening balance	-	3,750	3,750
Provision/ (Reversed) in the year	57,337	(3,750)	53,587
Closing balance	<u><b>57,337</b></u>	<u><b>-</b></u>	<u><b>57,337</b></u>

12.5 Movements in provision for impairment of special bonds

	Closing balance	Opening balance
	VND million	VND million
Opening balance	238,361	222,893
Provision made in the year	182,210	110,243
Provision used for settlement of special bonds	(52,308)	(94,775)
Closing balance	368,263	238,361

13. CAPITAL CONTRIBUTION, LONG-TERM INVESTMENTS

	Closing balance	Opening balance
	VND million	VND million
Other long-term investments	529	529
Provision for impairment of long-term investments	(41)	(41)
	488	488

Details of other long-term investments:

	Closing balance		Opening balance	
	Cost	Proportion owned by the Bank	Cost	Proportion owned by the Bank
	VND million	%	VND million	%
PTN Chemical Joint Venture Company	488	5.10	488	5.10
Vietnam Pyramid New Technology Corporation	41	0.07	41	0.07
	529		529	

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**14. FIXED ASSETS**

**14.1 Tangible fixed assets**

Movements of tangible fixed assets in the year ended 31 December 2024 are as follows:

	Buildings, structures	Machinery, equipment	Motor vehicles	Management tools and equipment	Other tangible fixed assets	Total
	VND million	VND million	VND million	VND million	VND million	VND million
<b>Cost</b>						
Opening balance	195,387	6,572	89,383	183,841	3,341	478,524
New purchases for the year	599	37	-	5,375	5,482	11,493
Other increase	-	-	-	2,470	39	2,509
Disposals	-	(110)	-	(1,633)	-	(1,743)
Other decrease	(39)	(2,470)	(10)	-	-	(2,519)
<b>Closing balance</b>	<b>195,947</b>	<b>4,029</b>	<b>89,373</b>	<b>190,053</b>	<b>8,862</b>	<b>488,264</b>
<b>Accumulated depreciation</b>						
Opening balance	46,682	6,511	57,080	143,526	1,227	255,026
Depreciation for the year	4,815	19	7,400	21,112	1,385	34,731
Other increase	-	-	-	2,464	23	2,487
Disposals	-	(110)	-	(1,633)	-	(1,743)
Other decrease	(23)	(2,464)	(1)	-	-	(2,488)
<b>Closing balance</b>	<b>51,474</b>	<b>3,956</b>	<b>64,479</b>	<b>165,469</b>	<b>2,635</b>	<b>288,013</b>
<b>Net book value</b>						
Opening balance	148,705	61	32,303	40,315	2,114	223,498
<b>Closing balance</b>	<b>144,473</b>	<b>73</b>	<b>24,894</b>	<b>24,584</b>	<b>6,227</b>	<b>200,251</b>

The cost of tangible fixed assets which were fully depreciated and still in use as at 31 December 2024 is VND 155,391 million (as at 31 December 2023: VND 140,185 million).

14.2 Intangible assets

	Land use rights	Software computer	Other intangible fixed assets	Total
	VND million	VND million	VND million	VND million
<b>Cost</b>				
Opening balance	30,917	90,913	72	121,902
New purchases for the year	-	9,868	-	9,868
Other decrease	-	(4,330)	-	(4,330)
Closing balance	30,917	96,451	72	127,440
<b>Accumulated depreciation</b>				
Opening balance	7,416	60,547	72	68,035
Amortisation for the year	1,483	10,098	-	11,581
Other decrease	-	(144)	-	(144)
Closing balance	8,899	70,501	72	79,472
<b>Net book value</b>				
Opening balance	23,501	30,366	-	53,867
Closing balance	22,018	25,950	-	47,968

The cost of intangible fixed assets that have been fully depreciated but still in use as at 31 December 2024 is VND 49,797 million (as at 31 December 2023: VND 49,247 million)

15. OTHER ASSETS

	Closing balance	Opening balance
	VND million	VND million
<b>Receivables</b>	<b>643,257</b>	<b>528,992</b>
- Construction in progress	24,756	760
- Other receivables (Note 15.1)	618,501	528,232
<b>Interest and fee receivables</b>	<b>468,766</b>	<b>569,031</b>
<b>Other assets</b>	<b>129,801</b>	<b>112,325</b>
- Prepaid expense	52,377	35,414
- Foreclosed assets awaiting resolution	71,539	71,575
- Other assets	5,336	5,336
<b>Provision for impairment of other assets on the statement of financial position</b>	<b>(58,481)</b>	<b>(38,481)</b>
	<b>1,183,343</b>	<b>1,171,867</b>

**15.1 Other receivables**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Internal receivables	21,501	13,007
External receivables	597,000	515,225
In which:		
Mortgage, collaterals and deposits	139,810	138,480
Receivables from service fee	164,151	99,224
Deposits for office rental and using office service	20,320	9,839
Collaterals processing expenses	18,074	16,978
Receivables from Tien An Investment Joint Stock Company	225,053	225,053
Amounts awaiting to settle from State budget	3,191	6,167
Value added tax input	2,042	1,290
Other receivables	24,359	18,194
	<u>618,501</u>	<u>528,232</u>

**15.2 Provision for impairment of other assets**

	<u>Current year</u>	<u>Prior year</u>
	VND million	VND million
Opening balance	38,481	37,669
Provision made for the year	20,000	812
Closing balance	<u>58,481</u>	<u>38,481</u>

**16. DEPOSITS AND BORROWINGS FROM GOVERNMENT, SBV**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Borrowings the State Bank of Vietnam	419,069	-
	<u>419,069</u>	<u>-</u>

**17. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Demand deposits from other credit institutions	4,760,560	2,749,632
- In VND	4,506,430	2,506,932
- In foreign currency	254,130	242,700
Term deposits from other credit institutions	15,900,000	10,818,430
- In VND	15,900,000	10,600,000
- In foreign currency	-	218,430
	<u>20,660,560</u>	<u>13,568,062</u>

18. DEPOSITS FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
<b>Demand deposits</b>	<b>6,113,271</b>	<b>5,913,319</b>
- In VND	6,038,952	5,784,761
- In foreign currency	74,319	128,558
<b>Term deposits</b>	<b>36,989,144</b>	<b>29,585,979</b>
- In VND	36,889,682	29,484,729
- In foreign currency	99,462	101,250
<b>Margin deposits</b>	<b>223,299</b>	<b>230,480</b>
- In VND	223,292	230,474
- In foreign currency	7	6
<b>Deposits for specific purposes</b>	<b>31</b>	<b>33</b>
- In VND	1	4
- In foreign currency	30	29
	<u><b>43,325,745</b></u>	<u><b>35,729,811</b></u>

Customer deposit portfolio by type of deposits:

	<u>Closing balance</u>	<u>Opening balance</u>
Economic entities	13,256,184	9,626,429
Individuals	30,069,561	26,103,382
	<u><b>43,325,745</b></u>	<u><b>35,729,811</b></u>

19. VALUABLE PAPERS ISSUED

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
<b>Certificate of deposit</b>		
Terms under 12 months	1,000,000	-
Terms from 12 months to under 05 years	280,000	-
<b>Bonds</b>		
Terms from 12 months to under 05 years	1,000,000	500,000
	<u><b>2,280,000</b></u>	<u><b>500,000</b></u>

20. OTHER LIABILITIES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Internal payables	68,700	41,070
External payables (Note 20.1)	266,323	49,338
Bonus and welfare funds	37,449	32,785
	<u><b>372,472</b></u>	<u><b>123,193</b></u>



20.1 External payables

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Amount waiting transfer	211,152	28,910
Tax and other payables to the State Budget	54,613	19,813
Payables to construction in progress and asset procurement	225	282
Other payables	333	333
	<u>266,323</u>	<u>49,338</u>

21. THE BANK'S OBLIGATIONS TO THE STATE BUDGET

	<u>Opening balance</u>	<u>During the year</u>		<u>Closing balance</u>
	<u>VND million</u>	<u>Payable</u>	<u>Paid</u>	<u>VND million</u>
		<u>VND million</u>	<u>VND million</u>	
Value-added tax	1,070	10,299	(9,972)	1,397
Corporate income tax	15,633	85,666	(51,090)	50,209
Other taxes	3,110	35,858	(35,961)	3,007
Other obligations, fees and charges	-	91	(91)	-
	<u>19,813</u>	<u>131,914</u>	<u>(97,114)</u>	<u>54,613</u>

PROSPERITY AND GROWTH COMMERCIAL JOINT STOCK BANK  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B05/TCTD

22. CAPITAL AND RESERVES

22.1 Statement of changes in equity

	Charter capital	Investment and development fund	Financial reserve	Charter capital supplementary reserve	Retained earnings	Total
	VND million	VND million	VND million	VND million	VND million	VND million
Balance as at 01 January 2024	3,000,000	650	250,021	127,601	1,485,552	4,863,824
Capital increase (i)	1,200,000	-	-	(100,000)	(1,100,000)	-
Profit after tax for the year	-	-	-	-	339,803	339,803
Appropriation of funds under 2024 Annual General Meeting Minutes (ii)	-	-	27,989	13,995	(41,984)	-
Distributed welfare and bonus fund (ii)	-	-	-	-	(37,500)	(37,500)
Others	-	-	-	-	(77)	(77)
<b>Balance as at 31 December 2024</b>	<b>4,200,000</b>	<b>650</b>	<b>278,010</b>	<b>41,596</b>	<b>645,794</b>	<b>5,166,050</b>

(i) Pursuant to Resolution No. 44/2024/NQ-HĐQT dated 5 March 2024, the Board of Directors approved the issuance of shares to existing shareholders at a ratio of 10:4 to increase its charter capital from equity by VND 1,200,000,000,000. The funds for this issuance shall be sourced from retained earnings and capital reserves, as per the audited financial statements for the year 2022, and in accordance with the capital usage plan approved by the General Meeting of Shareholders under Resolution No. 08/2023/NQ-DHĐCD dated 23 October 2023.

(ii) Pursuant to Resolution No. 01/2024/NQ-DHĐCD dated 20 April 2024, the General Meeting of Shareholders approved the establishment of a capital reserve fund and a financial reserve fund at a rate of 5% and 10% of the 2023 after-tax profit, respectively, and a welfare and reward fund equivalent to one month's 2023 average income from the 2023 after-tax profit.

PROSPERITY AND GROWTH COMMERCIAL JOINT STOCK BANK  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B05/TCTD

	Charter capital VND million	Investment and development fund VND million	Financial reserve VND million	Charter capital supplementary reserve VND million	Retained earnings VND million	Total VND million
Balance as at 01 January 2023	3,000,000	650	209,652	107,417	1,266,809	4,584,528
Profit after tax for the year	-	-	-	-	279,895	279,895
Appropriation of funds under 2022 Annual General Meeting Minutes	-	-	40,369	20,184	(60,553)	-
Others	-	-	-	-	(599)	(599)
Balance as at 31 December 2023	3,000,000	650	250,021	127,601	1,485,552	4,863,824

22.2 Details of the Bank's capital

	Closing balance			Opening balance		
	Total	Ordinary shares	Percentage of ownership	Total	Ordinary shares	Percentage of ownership
	VND million	VND million	%	VND million	VND million	%
Gia Linh Trading Development and Import - Export Company Limited	550,144	550,144	13.099%	392,960	392,960	13.099%
Cuong Phat International Joint Stock Company	568,735	568,735	13.541%	406,240	406,240	13.541%
Vu Anh Duc Trading Joint Stock Company	561,109	561,109	13.359%	400,792	400,792	13.359%
Other shareholders	2,520,012	2,520,012	60.001%	1,800,008	1,800,008	60.001%
	<b>4,200,000</b>	<b>4,200,000</b>	<b>100.000%</b>	<b>3,000,000</b>	<b>3,000,000</b>	<b>100.000%</b>

22.3 Details of the Bank's shares

	Closing balance	Opening balance
Number of shares registered to issue	420,000,000	420,000,000
Number of shares offered to public	420,000,000	300,000,000
- Ordinary shares	420,000,000	300,000,000
Number of shares in circulation	420,000,000	420,000,000
- Ordinary shares	420,000,000	420,000,000
Par value per share (VND)	10,000	10,000

(\*) Pursuant to the Resolution No. 44/2024/NQ-HĐQT dated 5 March 2024, the Board of Directors approved the issuance of shares to increase charter capital from equity from retained earnings and capital reserves, as per the audited financial statements for the year 2022.

23. INTEREST AND SIMILAR INCOME

	Current year	Prior year
	VND million	VND million
Interest income from deposits	264,939	162,666
Interest income from loans to customers	3,002,472	2,997,805
Interest income from trading, debt securities	101,416	116,739
- Interest income from investment securities	101,416	116,739
Income from guarantee	41,282	31,794
Income from debt purchasing	485	88,561
Other incomes from credit activities	86,216	58,303
	<b>3,496,810</b>	<b>3,455,868</b>

24. INTEREST AND SIMILAR EXPENSES

	Current year	Prior year
	VND million	VND million
Interest expenses for deposits	1,771,683	2,078,126
Interest expenses for borrowings	4,341	34,712
Interest expenses for issuance of valuable papers	32,927	24,971
Expenses for other credit activities	29,021	16,705
	<b>1,837,972</b>	<b>2,154,514</b>

25. NET GAIN FROM SERVICES

	Current year	Prior year
	VND million	VND million
<b>Income from services</b>	<b>100,087</b>	<b>99,301</b>
Settlement services	28,185	27,767
Treasury activities	28,678	29,152
Other services	43,224	42,382
<b>Expenses on services</b>	<b>(82,183)</b>	<b>(64,611)</b>
Settlement services	(5,959)	(5,036)
Treasury activities	(11,968)	(10,870)
Consultancy services	(292)	(199)
Other services	(63,964)	(48,506)
<b>Net gain from services</b>	<b>17,904</b>	<b>34,690</b>

26. NET GAIN FROM FOREIGN CURRENCY TRADING

	Current year	Prior year
	VND million	VND million
<b>Income from trading foreign currencies</b>	<b>56,633</b>	<b>105,808</b>
Income from foreign exchange spot transactions	15,663	24,053
Income from monetary derivative financial instruments	40,970	81,755
<b>Expenses for trading foreign currencies</b>	<b>(56,382)</b>	<b>(86,357)</b>
Expenses for foreign exchange spot transactions	(8)	(9)
Expenses for monetary derivative financial instruments	(56,374)	(86,348)
<b>Net gain from trading foreign currencies</b>	<b>251</b>	<b>19,451</b>

27. NET (LOSS) FROM TRADING SECURITIES

	Current year	Prior year
	VND million	VND million
Income from available-for-sale securities	-	46
Expenses for available-for-sale securities	(1,089)	(1,179)
(Provision) for investment securities	(53,588)	(2,321)
	<b>(54,677)</b>	<b>(3,454)</b>

28. NET GAIN FROM OTHER ACTIVITIES

	Current year	Prior year
	VND million	VND million
Income from other activities	209,949	43,472
Recovery of bad debts written off	200,022	31,856
Income from other derivative financial instruments	992	2,481
Other incomes	8,935	9,135
Expenses on other activities	(1,016)	(2,175)
Expenses for other derivative financial instruments	(628)	(1,559)
Expenses for social activities	(158)	(280)
Other operating expenses	(230)	(336)
Net gain from other activities	208,933	41,297

29. INCOME FROM CAPITAL CONTRIBUTION AND EQUITY INVESTMENTS IN OTHER ENTITIES

	Current year	Prior year
	VND million	VND million
Dividends and profits received in the year from capital contribution:	148	132
- From long-term investments	148	132
	148	132

30. OPERATING EXPENSES

	Current year	Prior year
	VND million	VND million
1. Taxes, fees and charges	14,782	13,531
2. Employees costs	589,146	482,687
In which:		
- Salaries and benefits	540,404	433,154
- Additional payroll-related expenses	41,728	36,437
- Allowances	709	4,085
- Other expenses for employees	6,305	9,011
3. Expenses related to assets	166,459	145,252
In which: depreciation and amortization for fixed assets	46,312	40,682
4. Expenses related to public affairs management	162,741	130,786
In which:		
- Per diem	7,165	7,426
- Expenses related to union activities	3,363	2,796
5. Insurance for customer deposits	40,839	35,912
6. Provision expenses (excluding on- and off-balance sheet credit risk provision expenses; securities risk provision expenses)	-	41
	973,967	808,209

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

	Current year	Prior year
	VND million	VND million
Profit before tax	425,448	351,232
Less:		
Non-taxable income from dividends	-	(20)
Income from dividends, distributed profits and capital contributions	(148)	(112)
Add:		
Other non-deductible expenses	2,926	5,584
Taxable income	428,226	356,684
CIT rate	20%	20%
CIT expenses based on tax rate	85,645	71,337
Other adjustments	-	-
Total CIT for the year	85,645	71,337
CIT payable at the beginning of the year	15,633	22,855
CIT paid during the year	(51,090)	(79,158)
CIT adjustment after finalization	21	
Others	-	599
CIT payable at the end of the year	50,209	15,633

32. BASIC EARNING PER SHARE

	Current year	Prior year
	VND million	VND million
Profit after tax (VND million)	339,803	279,895
Appropriation of other funds (excluding charter capital supplemental reserve fund, charter capital supplemental reserve fund, financial reserve fund and other equity funds) (*)	-	(37,500)
Profit to calculate basic interest on shares (VND million)	339,803	242,395
Average weighted common stock for basic interest calculation (shares) (**)	420,000,000	420,000,000
Basic earning per share (VND)	809	577

(\*) The previous year's bonus and welfare fund appropriation are according to the Bank's Board of Directors' Resolution approved in 2024.

(\*\*) The figure includes 120 million shares issued according to Notice No. 48/2024/TB-PGB dated 31 January 2024 for the purpose of increasing capital from the owner's capital. Accordingly, the capital issued from the accumulated undistributed after-tax profit source and reserve fund to supplement charter capital based on the audited financial statements for the year 2022.

At the date of these financial statements, the Bank has not made an estimate of the amount of the bonus and welfare fund appropriation for the year ended 31 December 2024. As a result, the basic earnings per share calculation excludes 2024 bonus and welfare fund appropriation. The actual amount of profit distribution to the welfare reward fund for the year ended 31 December 2024 will be approved during the 2025 General Meeting of Shareholders and therefore the above basic earnings per share might be adjust accordingly.

**33. CASH AND CASH EQUIVALENTS**

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND million</u>	<u>VND million</u>
Cash, gold and gemstones	224,524	229,343
Balances with the State Bank of Vietnam	2,197,457	1,601,718
Placements with and loans to other credit institutions	23,801,965	14,270,357
- Demand deposits	5,064,162	3,070,357
- Term deposit with no more than 3 months	18,737,803	11,200,000
	<u>26,223,946</u>	<u>16,101,418</u>

**34. EMPLOYEES' INCOME**

	<u>Current year</u>	<u>Prior year</u>
I. Total average number of employees during the year (person)	1,921	1,909
Total average number of employees during the year (person)	1,867	1,737
II. Employees' income (VND million)		
1. Total salary income	473,364	385,281
2. Other income	94,709	64,885
3. Total income (1+2)	<u>568,073</u>	<u>450,166</u>
4. Average monthly income per employee (VND million/person/month)	21.13	18.48
5. Average monthly income	<u>25.36</u>	<u>21.60</u>



35. CONTINGENT LIABILITIES AND OTHER COMMITMENTS

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Credit guarantees	40,712	12,976
Foreign currency commitments	2,538,759	572,772
<i>Foreign currency purchase commitments</i>	<i>149,937</i>	<i>14,562</i>
<i>Foreign currency sale commitments</i>	<i>127,065</i>	<i>36,405</i>
<i>Swap commitments</i>	<i>2,261,757</i>	<i>521,805</i>
Letters of credit commitments	564,728	480,507
Other guarantees	4,902,944	4,103,025
Other commitments	771,562	795,247
Bad debt written-off	2,865,745	2,843,727
Assets and other documents	2,830,884	2,358,508

36. UNCOLLECTED INTEREST FROM LOANS AND FEE RECEIVABLES

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Uncollected interest from loans	683,839	652,104
	<u>683,839</u>	<u>652,104</u>

37. BAD DEBTS WRITTEN-OFF

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Principal amount of bad debts written-off under surveillance period	1,904,968	1,907,470
Interest amount of bad debts written-off under surveillance period	960,777	936,257
	<u>2,865,745</u>	<u>2,843,727</u>

38. ASSETS AND OTHER DOCUMENTS

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Other assets held on behalf	2,830,884	2,358,508
	<u>2,830,884</u>	<u>2,358,508</u>

39. RELATED PARTY TRANSACTIONS AND BALANCES

Details of significant balances with related parties as at 31 December 2024 are as follows:

Related party	Balance	Receivables	(Payables)
		VND million	VND million
Members of the Board of Directors/Board of Supervisors/Board of Management and related people	- Demand deposit	-	12,953
	- Term deposit	-	119,112
	- Accrued interests payables	-	2,111
	- Loan to customers	10,099	-
	- Accrued interest receivables	24	-

Transactions with related parties for the year ended 31 December 2024 are as follows:

Related party	Transaction	VND million
Major shareholders	- Services receivable	4
Members of the Board of Directors/Board of Supervisors/Board of Management and related parties	- Buying foreign currency	67,575
	- Loan interest income	34,566
	- Interest expenses on deposits	3,815
	- Services receivable	8
	- Others	505

Details of salaries and allowances of the members of the Board of Directors, Board of Supervisors and Board of Management are as follows:

Name	Title	Date of appointment/ dismissal	Current year	Prior year
			VND million	VND million
<b>Board of Directors</b>				
Mr. Pham Manh Thang	Chairman		5,256	1,030
Mr. Nguyen Quang Dinh	Chairman	Automatically lose the position on 04 May 2023	-	1,570
Mr. Dao Phong Truc Dai	Vice Chairman		448	70
Mr. Dao Quoc Tinh	Independent Member	Appointed on 26 August 2024	169	-
Ms. Cao Thi Thuy Nga	Independent Member	Appointed on 26 August 2024	169	-
Mr. Dinh Thanh Nghiep	Member		1,120	410
Mr. Vuong Phuc Chinh	Member		1,909	67
Ms. Dinh Thi Huyen Thanh	Member	Resigned on 20 April 2024	110	67
Mr. Nguyen Phi Hung	Member	Resigned on 23 October 2023	-	1,237
Mr. Nguyen Tien Dung	Vice Chairman	Resigned on 23 October 2023	-	354
Mr. Nilesh Banglorewala	Member	Resigned on 23 October 2023	-	354
Mr. Oliver Schwarzhaupt	Independent Member	Resigned on 23 October 2023	-	653
Mr. Nguyen Manh Hai	Member	Resigned on 23 October 2023	-	916
<b>Board of Supervisors</b>			<b>3,595</b>	<b>4,024</b>

Name	Title	Date of appointment/ dismissal	Current year VND million	Prior year VND million
<b>Board of Management and Chief Accountant</b>				
Mr. Nguyen Van Huong	Chief Executive Officer	Appointed on 07 December 2024	1,439	-
Ms. Dinh Thi Huyen Thanh	Chief Executive Officer	Resigned on 25 April 2024	1,339	1,308
Mr. Nguyen Phi Hung	Chief Executive Officer	Resigned on 02 July 2023	-	1,891
Mr. Pham Manh Thang	Chief Executive Officer	Appointed on 15 September 2023 and resigned on 23 October 2023	-	1,437
Mr. Tran Van Luan	Standing Deputy Chief Executive Officer	Appointed on 23 September 2024	1,654	-
Mr. Le Van Phu	Deputy Chief Executive Officer	Appointed on 12 March 2024	1,624	-
Ms. Nguyen Trong Chien	Deputy Chief Executive Officer	Appointed on 12 March 2024	1,624	-
Mr. Dinh Thanh Nghiep	Deputy Chief Executive Officer	Resigned on 05 July 2024	772	1,936
Mr. Nguyen Thanh To	Deputy Chief Executive Officer	Resigned on 21 May 2024	720	2,423
Mr. Hoang Xuan Hiep	Deputy Chief Executive Officer	Resigned on 15 January 2024	68	2,289
Mr. Hoang Long	Deputy Chief Executive Officer	Resigned on 15 December 2023	-	1,952
Mr. Do Thanh Cong	Deputy Chief Executive Officer	Appointed on 01 February 2023 and resigned on 23 October 2023	-	1,426
Ms. Nguyen Thi Thu Ha	Deputy Head of Finance cum Chief Accountant		1,548	1,348

40. GEOGRAPHICAL STRUCTURE OF ASSETS, LIABILITIES AND OFF-BALANCE-SHEET ITEMS AS AT 31 DECEMBER 2024

	Total loan balance and debts purchased	SBV and other credit institutions	Total deposits at institutions and valuable papers issued to other credit institutions	Total deposits from customers	Credit commitments	Derivatives (Total contract value)	Trading and investment securities
	VND million	VND million	VND million	VND million	VND million	VND million	VND million
Domestic	41,533,482	25,960,793	22,940,560	43,325,745	6,279,946	1,948	4,676,497
Overseas	-	38,629	-	-	-	-	-

41. RISK MANAGEMENT POLICIES RELATED TO FINANCIAL INSTRUMENTS

This explanation provides information about the risks that the Bank may face and describes in detail the methods used by the Bank's Board of Management to control risks. The most important types of financial risks that a Bank typically encounters are currency risk, interest rate risk, credit risk, and liquidity risk.

*Risk Management Policy*

The Bank's Board of Directors has a shared responsibility for establishing and overseeing the Bank's risk management framework. The Bank's Board of Directors has established a Risk Management Committee responsible for developing and overseeing the Bank's risk management policies in each management area. All boards of the Board of Directors have dedicated and non-specialized members and periodically report to the Board of Directors on their activities.

The Bank's risk policy is established to identify and analyze the risks exposed by the Bank, to establish appropriate risk limits and controls, and to monitor risks and adhere to limits. Risk management policies and systems are regularly reviewed to reflect changes in market conditions, products and services provided by the Bank. Through training activities and standards and management systems, the Bank aims to develop a disciplined and positive control environment in which all its employees understand their roles and obligations.

The Bank's Internal Audit Department conducts periodic and unscheduled reviews of risk management control systems and procedures and reports the results of the review to the Board of Directors.

In addition to establishing risk management departments and policies related to financial instruments, the Bank also coordinates with partners in the field of information technology and telecommunications to support risk management by building an integrated system of risk management tools to protect customers, supplier and enhance the sustainable development of the Bank.

Monetary risk policies, interest rate risk, liquidity risk and credit risk are analyzed in detail in Notes 42, 43, 44 and 45.

**42. CURRENCY RISK**

Currency risk is the risk that the Bank's asset or value of an investment fluctuates due to changes in foreign exchange rates. The Bank was established and operates in Vietnam with reporting currency of VND. The Bank's assets are denominated mainly in VND and partly in other currencies. The Bank has launched a limit system to manage foreign exchange risks deriving from foreign exchange position held by the Bank. Foreign exchange positions are monitored on a daily basis and hedging strategies are used to ensure that risk management indicators are maintained within the established limits.

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The book values of the Bank's foreign currency denominated monetary assets and monetary liabilities as at 31 December 2024 are as follows:

	Converted EUR VND million	Converted USD VND million	Converted other currencies VND million	Total VND million
<b>Assets</b>				
Cash, gold and gemstones	3,956	14,847	-	18,803
Deposits with the SBV	-	3,718	-	3,718
Placements with and loans to other credit institutions (*)	11,762	1,206,932	15,073	1,233,767
Derivatives and other financial assets	-	101,652	-	101,652
Loans to customers (*)	-	380,563	-	380,563
Other assets (*)	-	160,060	3	160,063
<b>Total assets</b>	<b>15,718</b>	<b>1,867,772</b>	<b>15,076</b>	<b>1,898,566</b>
<b>Liabilities</b>				
Deposits and borrowings from the SBV and other credit institutions	-	254,130	419,069	673,199
Deposits from customers	13,176	155,764	4,878	173,818
Derivatives and other financial liabilities	-	1,601,019	-	1,601,019
Other liabilities	1	66	111	178
<b>Total liabilities</b>	<b>13,177</b>	<b>2,010,979</b>	<b>424,058</b>	<b>2,448,214</b>
On-balance-sheet currency position	2,541	(143,207)	(408,982)	(549,648)
Off-balance-sheet currency position	-	22,872	-	22,872
<b>On and off-balance-sheet currency position</b>	<b>2,541</b>	<b>(120,335)</b>	<b>(408,982)</b>	<b>(526,776)</b>

(\*) Excluding provision for credit risk.

**43. INTEREST RATE RISK**

Interest rate risk is the risk that the Bank must bear when the fluctuation of interest rate adversely influences the Bank's income, the values of assets, liabilities and off-balance-sheet commitments. The repricing term is the remaining term from the date of the financial statements to the latest repricing date of interest rate sensitive assets and liabilities. The following assumptions and conditions are applied when analyzing the interest rate repricing term of the Banks' assets and liabilities:

- ▶ Cash, gold and gemstones; long-term investments; fixed assets; other assets and other liabilities are classified as items which are free of interest rate sensitivity;
- ▶ Balances with the SBV are classified as interest-free for the non-compulsory reserve of VND and compulsory reserve of USD; the remaining balance is classified into a term of up to one month;
- ▶ Trading securities: The repricing term of trading securities is determined based on information about the actual maturity date or remaining holding period as prescribed and the latest repricing date of the securities (for floating rate securities) from the date of the financial statements, whichever is earlier.
- ▶ Placements with and loans to other credit institutions; loans to customers; investment securities; derivative financial instruments and other financial assets; borrowings from the Government and the SBV; deposits and borrowings from other credit institutions; deposits from customers; grants, trusted funds and borrowings where the Bank bears risks and valuable papers issued: The repricing term is determined based on the actual maturity date or the latest re-pricing date (for floating-rate items) calculated from the date of the financial statements, whichever is earlier.



PROSPERITY AND GROWTH COMMERCIAL JOINT STOCK BANK  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Not subject to interest rate re- pricing risk	Interest repricing term								
		Overdue VND million	VND million	Up to 01 month VND million	From 01 to 03 months VND million	From 03 to 06 months VND million	From 06 to 12 months VND million	From 01 to 05 years VND million	Over 05 years VND million	Total VND million
Assets										
Cash, gold and gemstones	-	224,524	-	-	-	-	-	-	-	224,524
Balances with the SBV	-	-	2,197,457	-	-	-	-	-	-	2,197,457
Placements with and loans to other credit institutions (*)	-	-	20,901,965	2,900,000	-	-	-	-	-	23,801,965
Derivatives and other financial assets	-	-	1,948	-	-	-	-	-	-	1,948
Loans to customers (*)	1,363,569	-	8,755,189	14,869,062	6,485,989	7,705,118	2,191,054	163,501	-	41,533,482
Investment securities (*)	-	1,363,497	300,000	300,000	450,000	1,200,000	350,000	713,000	-	4,676,497
Long-term investments (*)	-	529	-	-	-	-	-	-	-	529
Fixed assets	-	248,219	-	-	-	-	-	-	-	248,219
Other assets (*)	-	1,241,824	-	-	-	-	-	-	-	1,241,824
Total assets	1,363,569	3,078,593	32,156,559	18,069,062	6,935,989	8,905,118	2,541,054	876,501	-	73,926,445
Liabilities										
Deposits and borrowings from the Government and the State Bank of Vietnam	-	-	419,069	-	-	-	-	-	-	419,069
Deposits and borrowings from other credit institutions	-	-	17,760,560	2,900,000	-	-	-	-	-	20,660,560
Deposits from customers	-	-	15,415,291	9,477,953	9,488,714	6,437,257	2,506,530	-	-	43,325,745
Valuable papers issued	-	-	-	-	-	1,000,000	1,280,000	-	-	2,280,000
Other liabilities	-	1,163,691	-	-	-	-	-	-	-	1,163,691
Total liabilities	-	1,163,691	33,594,920	12,377,953	9,488,714	7,437,257	3,786,530	-	-	67,849,065
On-balance sheet interest sensitivity gap	1,363,569	1,914,902	(1,438,361)	5,691,109	(2,552,725)	1,467,861	(1,245,476)	876,501	-	6,077,380
Total interest sensitivity gap	1,363,569	1,914,902	(1,438,361)	5,691,109	(2,552,725)	1,467,861	(1,245,476)	876,501	-	6,077,380

(\*) Excluding provision for credit risk.



**44. LIQUIDITY RISK**

Liquidity risk is the risk that: (i) the Bank is unable to fulfil its obligations at the time financial obligations are incurred; or (ii) the Bank has ability to perform obligations at due date but must bear above average cost of market to fulfil those obligations. In order to reduce liquidity risk, the Bank maintains suitable structure of assets and liabilities, and simultaneously strengthens the capability of raising funds from various sources. The Bank has policies in place to manage highly liquid assets and to monitor future cash flows and liquidity status on a daily basis. Expected cash flows and availability of collaterals are also evaluated in case of need for funds.

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

- ▶ Balances with the SBV are considered current account, including the compulsory reserves and classified to a term of due within one month;
- ▶ The maturity term of trading securities is based on the actual maturity or the allowed remaining holding period whichever comes first;
- ▶ The maturity term of investment debt securities is based on the maturity date of each type of securities.
- ▶ The maturity terms of placements with and loans to other credit institutions and loans to customers are based on the contractual maturity date. The actual maturity term may vary from the contractual term when the contract is extended;
- ▶ The maturity date of equity investments is classified as over five (05) years as equity investments have no defined maturity;
- ▶ Deposits and borrowings from other credit institutions and deposits from customers are determined based on either the nature of the amounts or their contractual maturity terms. Vostro accounts are paid upon customers' demand and therefore are considered to have shortest term (due within one month). Demand deposits accounts from customers are segmented based on actual deposit retention time. The maturity of term deposits and borrowings is based on their contractual maturity date. In practice, such items may be revolved and therefore maintained for longer periods than their initial maturity term or the term deposits subject to early withdrawal or repayment (not complying with the contractual maturity date);
- ▶ The maturity date of fixed assets is classified as 5 years or more.

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The table below shows the Bank's exposure to liquidity risk as at 31 December 2024:

	Overdue		Current					Total
	Over 03 months	Due within 03 months	Due within 01 month	From 01 to 03 months	From 03 to 12 months	From 01 to 05 years	Over 05 years	
<b>Assets</b>								<b>VND million</b>
Cash, gold and gemstones	-	-	224,524	-	-	-	-	224,524
Balances with the SBV	-	-	2,197,457	-	-	-	-	2,197,457
Placements with and loans to other credit institutions (*)	-	-	20,901,965	2,900,000	-	-	-	23,801,965
Derivatives and other financial assets	-	-	1,948	-	-	-	-	1,948
Loans to customers (*)	938,951	424,618	3,875,436	8,510,087	13,479,188	7,561,716	6,743,487	41,533,482
Investment securities (*)	-	-	300,371	299,978	1,650,034	1,721,534	704,579	4,676,497
Long-term investments (*)	-	-	-	-	-	-	529	529
Fixed assets	-	-	-	-	-	-	248,219	248,219
Other assets (*)	225,053	-	143,733	38,263	5,508	698,712	130,554	1,241,824
<b>Total assets</b>	<b>1,164,004</b>	<b>424,618</b>	<b>27,645,434</b>	<b>11,748,328</b>	<b>15,134,730</b>	<b>9,981,962</b>	<b>7,827,368</b>	<b>73,926,445</b>
<b>Liabilities</b>								
Deposits and borrowings from the Government and the State Bank of Vietnam	-	-	419,069	-	-	-	-	419,069
Deposits and borrowings from other credit institutions	-	-	17,760,560	2,900,000	-	-	-	20,660,560
Deposits from customers	-	-	15,415,291	9,477,953	15,925,971	2,506,530	-	43,325,745
Valuable papers issued	-	-	-	-	1,000,000	1,280,000	-	2,280,000
Other liabilities	-	-	556,649	223,405	338,758	44,579	-	1,163,691
<b>Total liabilities</b>	-	-	<b>34,151,869</b>	<b>12,601,358</b>	<b>17,264,729</b>	<b>3,831,109</b>	-	<b>67,849,065</b>
<b>Liquidity gap</b>	<b>1,164,004</b>	<b>424,618</b>	<b>(6,506,435)</b>	<b>(853,030)</b>	<b>(2,129,999)</b>	<b>6,150,854</b>	<b>7,827,368</b>	<b>6,077,380</b>

(\*) Excluding provisions for credit risk.

**45. CREDIT RISK**

Credit risk is the possibility that the Bank may incur losses because its customers, clients and counterparties do not perform or fail to perform their contractual obligations. The Bank controls and manages credit risk by setting credit limits based on the risk tolerance level that the Bank specifies for individual customers and each industry and setting up the medium and long-term credit limit suitable for the structure of mobilization.

The Bank has established a credit quality review process to provide early identification of possible changes in financial position, repayment ability of debtors based on qualitative and quantitative factors. Credit limit for each customer is determined by the use of the credit scoring system, in which each customer is classified at a certain risk level. Customer's risk level is updated regularly. The Bank controls and manages credit risk by establishing an authorization limit for each branch based on its credit portfolio quality, management capability and geographical potentiality.

The Bank has developed a number of customer policies in order to select good customers and have suitable and consistent policies applicable to each customer. The Bank has developed a diversified range of products to meet customers' demands and established credit appraisal and approval procedures at branches and the Head Office for consistent implementation in the Bank's entire system to mitigate operational risks. In addition, in order to strengthen secured methods for loans and minimize operational risks, the Bank has also issued detailed guidance on guarantees for loans.

**Financial assets that are overdue but not impaired**

There are no financial assets that are overdue but not impaired are overdue loans for which specific provision balances required to be made in accordance with the accounting standards and regimes applicable to credit institutions in Vietnam and legal regulations relating to the preparation and presentation of financial statements.

Aging of financial assets overdue but not impaired as at 31 December 2024 is described below:

	Overdue			
	Under 90 days	91-180 days	181-360 days	Over 360 days
	VND million	VND million	VND million	VND million
Loans to customers	110,021	21,264	39,850	468,314

**46. EXCHANGE RATES OF SOME FOREIGN CURRENCIES AT THE END OF THE YEAR**

Currencies	As at 31/12/2024	As at 31/12/2023
USD	25,413	24,270
EUR	26,582	26,836
GBP	32,038	30,891
CHF	28,192	28,794
JPY	162.97	171.41
SGD	18,786	18,381
CAD	17,789	18,329
AUD	15,902	16,581

On 5 March 2025, the Bank announced unusual information according to Official Dispatch No. 224/2025/CV-PBG on the announcement of public offering of shares with the offering quantity of 80,000,000 shares, the offering price is VND 10,000 per share by the method of distributing the issuance of share purchase rights to existing shareholders.

*John*

Approved by                     



Approved by

**Approved by**

**NGÂN HÀNG  
THƯƠNG MẠI CỔ PHẦN  
THỊNH VƯỢNG  
VÀ PHÁT TRIỂN**

M.S.D.N: 1400716233 C.T.C.P.

Đ. ĐỒNG ĐA - TP. HỒ CHÍ MINH

Nguyen Van Huong  
Chief Executive Officer

28 March 2025

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