


LIEN VIET POST JOINT STOCK COMMERCIAL BANK
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED FINANCIAL
STATEMENTS**

For the year ended 31 December 2023

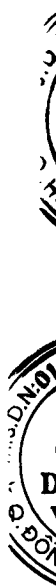
In accordance with Vietnamese Accounting Standards,
accounting regime applicable to credit institutions in Vietnam
and legal regulations relating to financial reporting



LIEN VIET POST JOINT STOCK COMMERCIAL BANK
LPB Tower, No. 210 Tran Quang Khai Street
Trang Tien Ward, Hoan Kiem District
Hanoi, Vietnam

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Lien Viet Post Joint Stock Commercial Bank (the “Bank”) presents this report together with the Bank’s financial statements for the year ended 31 December 2023.

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

Board of Management

Mr. Nguyen Duc Thuy	Chairman
Mr. Nguyen Van Thuy	Standing Vice Chairman (From 07 June 2023) Vice Chairman (From 23 April 2023)
Mr. Pham Doan Son	Standing Vice Chairman (Until 22 April 2023)
Mr. Ho Nam Tien	Vice Chairman (From 23 April 2023)
Mr. Bui Thai Ha	Vice Chairman (From 23 April 2023)
Mr. Duong Cong Toan	Vice Chairman (Until 22 April 2023)
Mr. Huynh Ngoc Huy	Vice Chairman (Until 22 April 2023) Member (From 23 April 2023)
Mr. Le Hong Phong	Member
Mr. Le Minh Tam	Independent Member (From 23 April 2023)
Ms. Duong Hoai Lien	Independent Member (Until 22 April 2023)

Board of Supervisors

Ms. Duong Hoai Lien	Head of Board of Supervisors (From 23 April 2023)
Mr. Tran Thanh Tung	Head of Board of Supervisors (Until 22 April 2023) Deputy Head of Board of Supervisors (From 23 April 2023)
Ms. Nguyen Thi Lan Anh	Member (Until 22 April 2023) Non-executive member (From 23 April 2023)
Mr. Nguyen Phu Minh	Member (From 23 April 2023)
Mr. Phung The Viet	Member (Until 22 April 2023)



STATEMENT OF THE BOARD OF DIRECTORS (Continued)

Board of Directors

Mr. Ho Nam Tien	Chief Executive Officer (From 21 June 2023) Acting Chief Executive Officer (From 17 March 2023 to 20 June 2023) Standing Deputy Chief Executive Officer (Until 16 March 2023)
Mr. Pham Doan Son	Chief Executive Officer (Until 17 March 2023)
Mr. Vu Quoc Khanh	Standing Deputy Chief Executive Officer (From 11 May 2023) Deputy Chief Executive Officer (Until 23 May 2023)
Mr. Bui Thai Ha	Standing Deputy Chief Executive Officer (From 21 March 2023 to 11 May 2023) Deputy Chief Executive Officer (From 11 May 2023 to 23 May 2023)
Ms. Nguyen Thi Gam	Deputy Chief Executive Officer
Ms. Nguyen Anh Van	Deputy Chief Executive Officer
Mr. Nguyen Thanh Tung	Deputy Chief Executive Officer
Ms. Le Thi Thanh Nga	Deputy Chief Executive Officer
Mr. Hoang Van Phuc	Deputy Chief Executive Officer
Mr. Le Anh Tung	Deputy Chief Executive Officer
Mr. Doan Nguyen Ngoc	Deputy Chief Executive Officer (From 24 April 2023)
Ms. Nguyen Thi Vui	Deputy Chief Executive Officer (From 24 April 2023)
Ms. Vu Nam Huong	Deputy Chief Executive Officer (From 20 March 2024)
Mr. Nguyen Quoc Thanh	Deputy Chief Executive Officer (Until 01 July 2023)
Mr. Kim Minh Tuan	Deputy Chief Executive Officer (Until 01 May 2023)
Mr. Nguyen Ngoc Nam	Deputy Chief Executive Officer (Until 01 October 2023)
Mr. Nguyen Quy Chien	Deputy Chief Executive Officer (Until 01 October 2023)
Ms. Vu Thu Hien	Deputy Chief Executive Officer (Until 06 February 2024)

STATEMENT OF THE BOARD OF DIRECTORS (Continued)

THE BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors 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 2023 and its financial performance and its cash flows for the year then ended in accordance with 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 Directors 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 Directors 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 Directors 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 Directors confirms that the Bank has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors,



Ho Nam Tien
Chief Executive Officer

Hanoi, 22 March 2024

No: 0636/VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders**
 The Board of Directors and the Board of Management
 Lien Viet Post Joint Stock Commercial Bank

We have audited the accompanying financial statements of Lien Viet Post Joint Stock Commercial Bank (the "Bank"), prepared on 22 March 2024 as set out from page 06 to page 57, which comprise the statement of financial position as at 31 December 2023, 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 Directors' Responsibility

The Bank's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with 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 Directors 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, 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 2023, 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.

Other matter

The financial statements for the year ended 31 December 2022 of the Bank was audited by another independent auditor who expressed an unmodified opinion on those statements on 28 March 2023.



Do Hong Duong
Deputy General Director
Audit Practising Registration Certificate
No. 2393-2021-001-1

Doan Dieu Huyen
Auditor
Audit Practising Registration Certificate
No. 5593-2020-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

22 March 2024
Hanoi, S.R Vietnam

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Unit: VND million

No.	ITEMS	Notes	Closing balance	Opening balance
A	ASSETS			
I.	Cash	5	2,382,762	2,983,877
II.	Balances with the State Bank of Vietnam ("SBV")	6	14,578,444	10,323,700
III.	Deposits at and loans to other credit institutions	7	35,527,676	31,967,998
1.	Deposits at other credit institutions		35,059,076	31,367,998
2.	Loans to other credit institutions		526,177	658,198
3.	Provision for credit losses on placements with and loans to other credit institutions		(57,577)	(58,198)
IV.	Held-for-trading securities	8	580,440	566,280
1.	Held-for-trading securities		580,440	566,280
V.	Loan to customers		271,972,649	230,636,976
1.	Loan to customers	10	275,430,884	235,506,871
2.	Provision for loans to customers	11	(3,458,235)	(4,869,895)
VI.	Debts purchased	12	21,796	257,484
1.	Debts purchased		21,961	260,453
2.	Provision for debts purchased		(165)	(2,969)
VII.	Investment securities	13	46,844,368	42,007,290
1.	Available-for-sale securities		46,844,368	42,007,290
VIII.	Long-term investments	14	348,718	315,931
1.	Other long-term investments		348,718	315,931
IX.	Fixed assets		1,949,987	1,693,198
1.	Tangible fixed assets	15	1,170,643	1,202,795
a.	Costs		2,940,904	2,829,739
b.	Accumulated depreciation		(1,770,261)	(1,626,944)
2.	Intangible fixed assets	16	779,344	490,403
a.	Costs		996,036	678,956
b.	Accumulated amortisation		(216,692)	(188,553)
X.	Other assets	17	8,656,339	6,993,113
1.	Receivables		3,050,171	2,185,961
2.	Interests and fees receivable		5,037,867	4,149,087
3.	Other assets		575,737	665,150
4.	Provision for other assets		(7,436)	(7,085)
	TOTAL ASSETS		382,863,179	327,745,847

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2023

Unit: VND million

No.	ITEMS	Notes	Closing balance	Opening balance
B.	LIABILITIES AND OWNER'S EQUITY			
I.	Amount due to the Government and the SBV	18	89,576	3,076,781
	Deposits and borrowings from the Government and the SBV		89,576	3,076,781
II.	Deposits and borrowings from other credit institutions	19	50,112,429	39,660,022
1.	Deposits from other credit institutions		47,152,604	37,694,447
2.	Borrowings from other credit institutions		2,959,825	1,965,575
III.	Deposits from customers	20	237,391,609	215,888,025
IV.	Derivatives and other financial liabilities	9	75,786	42,030
V.	Valuable papers issued	21	47,909,881	35,048,167
VI.	Other liabilities	22	13,166,498	9,975,668
1.	Interests and fees payables		9,839,488	6,525,149
2.	Other payables and liabilities		3,327,010	3,450,519
	TOTAL LIABILITIES		348,745,779	303,690,693
VII.	Capital and reserves			
1.	The Bank's capital	23	25,576,221	17,291,111
	Charter capital		25,576,164	17,291,054
	Share premium		57	57
2.	The Bank's reserves	23	3,696,036	2,860,199
3.	Retained earnings	23	4,845,143	3,903,844
	TOTAL OWNER'S EQUITY		34,117,400	24,055,154
	TOTAL LIABILITIES AND OWNER'S EQUITY		382,863,179	327,745,847

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2023

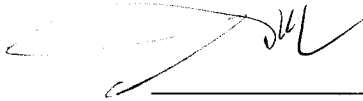
Unit: VND million

OFF-BALANCE-SHEET ITEMS

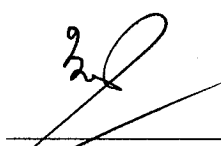
No.	ITEMS	Notes	Closing balance	Opening balance
1.	Credit guarantees	41	55,340	59,340
2.	Foreign currency commitments	41	162,150,751	74,355,004
a.	Foreign currency purchase commitments		-	54,514
b.	Foreign currency sale commitments		2,902,200	32,868
c.	Swap commitments		159,248,551	74,267,622
3.	Letters of credit commitments	41	676,398	1,786,014
4.	Other guarantees	41	1,706,763	944,919
5.	Other commitments	41	4,486,870	301,096
6.	Uncollected interest from loans and fee receivables	42	1,235,726	1,107,733
7.	Bad debts written-off	43	10,649,809	5,916,900
8.	Other assets and papers	44	2,322,992	2,650,884

Prepared by

Approved by



Tran Hoai Thu
 Head of Finance Department



Nguyen Thi Gam
 Chief Accountant



Approved by



Ho Nam Tien
 Chief Executive Officer

25 March 2024

The accompanying notes are an integral part of these financial statements.

INCOME STATEMENT

For the year ended 31 December 2023

Unit: VND million

No.	ITEMS	Notes	Curren year	Prior year
1.	Interest and similar income	24	32,353,651	25,225,644
2.	Interest and similar expenses	25	(21,150,522)	(13,325,675)
I.	Net interest and similar income		11,203,129	11,899,969
3.	Income from services rendered		3,905,988	2,096,512
4.	Expenses on services rendered		(340,361)	(434,650)
II.	Net gain from services rendered	26	3,565,627	1,661,862
III.	Net gain from foreign currency trading	27	435,098	10,463
IV	Net gain from trading held-for-trading securities	28	30,208	(2,769)
V.	Net (loss)/gain from trading investment securities	29	(5,254)	345,762
5.	Income from other activities		490,524	334,327
6.	Expenses on other activities		(143,372)	(133,180)
VI.	Net gain/(loss) from trading	31	347,152	201,147
VII.	Income from capital contribution and equity investments in other entities	30	49,345	53,877
VIII.	Total operating expenses	32	(5,759,872)	(5,306,893)
IX.	Net profit from operating activities before provision expenses for credit losses		9,865,433	8,863,418
X.	Provision expenses for credit losses	33	(2,826,040)	(3,173,737)
XI.	Profit before tax		7,039,393	5,689,681
7.	Current corporate income tax expense	34	(1,467,147)	(1,179,428)
XII.	Corporate income tax expense		(1,467,147)	(1,179,428)
XIII.	Profit after tax		5,572,246	4,510,253
XIV.	Basic earnings per share	35	2,705	2,022

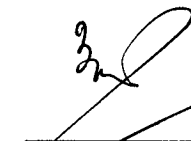
Prepared by

Approved by

Approved by



Tran Hoai Thu
Head of Finance Department



Nguyen Thi Gam
Chief Accountant



Ho Nam Tien
Chief Executive Officer

22 March 2024

The accompanying notes are an integral part of these financial statements.

CASH FLOW STATEMENT

For the year ended 31 December 2023

Unit: VND million

	Note	Current year	Prior year
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar income received		31,525,094	26,524,485
Interest and similar expenses paid		(17,583,219)	(12,859,829)
Income from services rendered received		3,564,158	1,660,084
Net cash from dealing in foreign currency and trading securities		175,210	636,389
Other income/Other (expenses)		(2,771)	(91,337)
Cash recovered from bad debts written off or compensated by provision for credit losses		359,547	298,260
Payments to employees and for operation management		(5,028,906)	(5,256,098)
Corporate income tax paid	34	(1,299,047)	(559,628)
Net cash flow from operating activities before changes in operating assets and working capital		11,710,066	10,352,326
<i>Changes in operating assets</i>			
Decrease in deposits with and loans to other credit institutions		132,021	492,535
(Increase) in investment securities		(4,851,238)	(3,634,243)
(Increase)/Decrease in derivatives financial instruments and other financial assets		-	84,831
(Increase) in loans to customers and debts purchased		(39,685,522)	(26,813,188)
(Decrease) in provision for credit losses on bad debts and corporate bonds		(4,240,775)	(1,414,012)
(Increase) in other operating assets		(1,221,125)	(1,039,086)
<i>Changes in operating liabilities</i>			
(Decrease) in amount due to the Government and the SBV		(2,987,204)	1,373,907
Increase/(Decrease) in deposits and borrowings from other credit institutions		10,452,408	(6,621,358)
Increase in deposits from customers		21,503,583	35,611,679
Increase/(Decrease) in valuable papers issued (excluding valuable papers charged to financial activities)		12,861,714	(1,689,462)
(Decrease)/Increase in derivatives and other financial liabilities		33,756	42,030
(Decrease)/Increase in other operating liabilities		(386,732)	1,196,210
Expenditures from funds of credit institutions		(557,085)	(82,507)
Net cash from operating activities		2,763,867	7,859,662

The accompanying notes are an integral part of these financial statements.

CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2023

Unit: VND million

	Note	Current year	Prior year
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of fixed assets		(428,246)	(145,140)
Proceeds from disposal of fixed assets		16,163	8,816
Payments for disposal of fixed assets		(23,635)	(8,279)
Cash outflows for investments in and capital contribution to other entities		(32,787)	-
Dividends and profit received from long-term investments and capital contribution		49,345	53,877
Net cash used in investing activities		(419,160)	(90,726)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from capital contributed and/or issuing shares		5,000,000	2,999,955
Net cash from financing activities		5,000,000	2,999,955
Net cash flows for the year		7,344,707	10,768,891
Cash and cash equivalents at the beginning of the year		44,675,575	33,906,684
Cash and cash equivalents at the end of the year	36	52,020,282	44,675,575

Prepared by

Approved by



Tran Hoai Thu
 Head of Finance Department



Nguyen Thi Gam
 Chief Accountant



Ho Nam Tien
 Chief Executive Officer

22 March 2024

The accompanying notes are an integral part of these financial statements.

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

Lien Viet Post Joint Stock Commercial Bank ("the Bank"), formerly known as Lien Viet Joint Stock Commercial Bank, was established under the Operation License No. 91/GP-NHNN dated 28 March 2008 issued by the Governor of the State Bank of Vietnam ("SBV") with an operation period of 99 years from the issuance date. The Enterprise Registration Certificate No. 6300048638 issued by the Department of Planning and Investment of Hanoi has been amended for the 30th time on 29 December 2023.

As per Official Letter No.244/TTg-DMDN dated 21 February 2011, the Vietnamese Prime Minister approved the capital contribution in kind of Vietnam Post Corporation ("Vietnam Post") in Lien Viet Joint Stock Commercial Bank which is the value of Vietnam Postal Saving Services Company ("VPSC") along with its contribution in cash. As at 01 July 2011, Vietnam Post completed the transfer of assets and liabilities of VPSC to Lien Viet Joint Stock Commercial Bank. Under Decision No. 1633/QĐ-NHNN dated 22 July 2011 by the SBV, Lien Viet Joint Stock Commercial Bank was approved to change its name to Lien Viet Post Joint Stock Commercial Bank.

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.

Charter capital

At 31 December 2023, the charter capital of the Bank was VND 25,576,164 million (as at 31 December 2022: VND 17,291,054 million)

Locations and the Bank network

The Bank's Head Office is located at LPB Tower, No. 210 Tran Quang Khai Street, Trang Tien Ward, Hoan Kiem District, Hanoi. The total number of the Bank's network points as at 31 December 2023 was one (01) Head Office, three (03) representative offices, eighty (80) branches, four hundred and eighty one (481) transaction offices and five hundred and thirteen (513) post transaction offices nationwide.

Employees

Total employees of the Bank as at 31 December 2023 were 10,627 (as at 31 December 2022: 12,203).

Disclosure of information comparability in the financial statements

The comparative figures are the figures of the audited financial statements for the year ended 31 December 2022.

2. BASIS FOR PREPARING FINANCIAL STATEMENTS AND FINANCIAL 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 23.3.

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.

FINANCIAL YEAR

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

3. ADOPTION OF NEW GUIDANCE

Circular No. 02/2023/TT-NHNN dated 23 April 2023

On 23 April 2023, the State Bank of Vietnam issued Circular No. 02/2023/TT-NHNN ("Circular 02") regulating credit organization, foreign banks branches restructuring of debt repayment terms, and maintaining debt categories to support financially challenged customers.

Some key changes introduced by Circular 02 that affect the financial reporting for the current period of the Bank include:

- Regulating the conditions of debts, including principal and/or interest balances, that have been restructured in terms of repayment, and providing regulations on maintaining debt categories and debt classification after the debt repayment terms are restructured.
- Regulating provisioning for customers with principal and/or interest balances that have been restructured in terms of repayment as stipulated in this Circular.

Circular 02 is effective from 24 April 2023. The Bank has applied Circular 02 in financial reporting for the year ended 31 December 2023.

Circular No. 18/2023/TT-NHNN dated 26 December 2022

On 26 December 2022, the State Bank of Vietnam issued Circular No. 18/2022/TT-NHNN ("Circular 18") to amend and supplement certain provisions of Circular No. 09/2015/TT-NHNN regulating the activities of purchasing and selling debts of credit institutions, foreign bank branches.

Some key changes introduced by Circular 18 that affect the financial reporting for the current period of the Bank include:

- Specifying principles of purchasing and selling debts, including the case of purchasing and selling debts when the buyer has not paid the full amount for the debt purchase.
- Providing guidelines for monitoring and management in the case of selling a portion of a debt or selling a debt to multiple debt buyers.
- Stipulating financial handling and accounting treatment for purchased and sold debts, including cases of selling debts whose principal that is being recorded on-balance-sheet, selling debts principal is being recorded off-balance-sheet, selling debts that have been derecognized from off-balance-sheet items, purchasing debts at a price equal to or less than their principal, and purchasing debts at a price greater than their principal.

Circular 18 is effective from 09 February 2023. The Bank has applied Circular 18 in financial reporting for the year ended 31 December 2023.

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 Directors 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 financial year. Although accounting estimates are made to the best of Board of Directors'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 2023 in Note 52). 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 income statement.

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.

Deposits with and loans to other credit institutions

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

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

Derivatives

Foreign currency forward and swap contracts

For foreign currency forward and swap contracts, the difference between equivalent VND amounts of foreign currency purchase/sale commitments using 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 income statement.

Loans to customers

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

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.

Provision for credit losses

Classification of loans and provision for credit losses

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

- Loans;
- 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;
- 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 Unlisted Public Company (UPCOM) 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 at other credit institutions and foreign bank branches in Vietnam (except for current accounts and deposits at Vietnam Bank for Social Policies in accordance with the regulations of the SBV on maintaining balance of deposits Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and making deposits at overseas credit institutions;
- Debt sale and purchase according to the State Bank's regulations on buying and selling debt;
- Repurchase of Government bonds in the stock market in accordance with law on issuance, registration, depository, listing and trading of Government debt securities in the stock market;
- Purchase of promissory notes, bills and certificates of deposit issued by other credit institutions and foreign banks' branches.

Accordingly, customers' loans are determined to be in the higher risk group of the classification made under Article 10 and Article 11 of Circular 11 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. 01/2020/TT-NHNN ("Circular 01") dated 13 March 2020 which regulates credit organization, restructuring of debt repayment terms, waiver and reduction of interest, fees, and maintaining debt categories to support customers affected by the Covid-19 pandemic. Circular No. 03/2021/TT-NHNN ("Circular 03") dated 02 April 2021, amending and supplementing some provisions of Circular 01; Circular No. 14/2021/TT-NHNN ("Circular 14") amending and supplementing some provisions of Circular 01; Circular No. 02/2023/TT-NHNN ("Circular 02") regulating credit organization, restructuring of debt repayment terms, and maintaining debt categories to support financially challenged customers; and relevant documents from the State Bank of Vietnam regarding debt classification and risk provisioning.

Loans are classified by risk levels 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 is recognized in the income statement 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 Circular 11 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 03, the Bank should make a specific provision for customers whose debts are rescheduled or granted interest and fees exemption or reduction based on the classification results as per Circular 11 (if the provision of maintaining debt categories is not applied as per the regulation of Circular 03) as follows:

- Up to 31 December 2021, by at least 30% of the additional specific provision;
- Up to 31 December 2022, by at least 60% of the additional specific provision;
- Up to 31 December 2023, 100% of the additional specific provision;

According to Circular 02, the Bank determines and records the specific additional provisioning amount that must be set aside for the entire outstanding balance of customers with restructured debt repayment terms based on the classification results as per Circular 11 (if the provision of maintaining debt categories is not applied as per the regulation of Circular 02) as follows:

- Up to 31 December 2023: At least 50% of the specific additional provisioning amount must be set aside.
- Up to 31 December 2024: 100% of the specific additional provisioning amount must be set aside.

In accordance with Circular 11, a general provision is made for credit losses which are yet to be identified during the loan classification and specific provisioning process as well as in cases where the Bank encounters potential financial difficulty due to the deterioration in loan quality. Accordingly, the Bank is required to fully make and maintain a general provision at 0.75% of total 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 Circular 11.

Writing off bad debts

Provision is recorded in the income statement as an expense and will be used to write off bad debts. In accordance with Circular 11, 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 debts and classified into group with risk level not lower than that of group before being purchased.

In the case where the purchase price of debt is less than or equal to the original principal balance of the acquired debt:

The principal amount collected from the credit contract of the purchased debt is recorded by the Bank as a recovery against the amount of the purchased debt. If the purchased debt amount has been fully recovered, the remaining principal amount (the residual difference between the original principal of the acquired debt and the purchased debt amount) obtained is recognized as income.

The interest amount collected from the credit contract of the purchased debt is recognized as income.

In the case where the purchase price of debt is greater than the original principal balance of the acquired debt:

The principal and interest amounts collected from the credit contract of the purchased debt are recorded as recoveries against the amount of the purchased debt. Up until the point where the remaining purchased debt amount is less than or equal to the original principal balance of the acquired debt at that time, the Bank processes the principal and interest amounts collected from the credit contract of the purchased debt according to the provisions in the scenario mentioned above.

If the purchased debt amount is not fully recovered, the Bank processes the unrecovered amount according to the financial regulations of credit institutions, foreign bank branches, and relevant legal provisions.

The Bank classifies the debt and sets up risk provisions for the purchased debts according to the provisions of the laws regarding risk provisions and their utilization, as presented in Note 33 - Credit Risk Provisions Cost.

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 11 and The customer's debt group provided by the State Bank's Credit Information Center ("CIC") at the time of debt classification. Accordingly, off-balance-sheet commitments are classified by risk level as follows: Standard, Special mention, Substandard, Doubtful and Loss.

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

Investments

Held-for-trading securities

Held-for-trading securities include debt securities or equity securities that the Bank has bought and had the intention to sell in the near future in order to gain benefits from price differences. Held-for-trading securities are recognized at cost at the date of transaction and subsequently recorded at cost during the holding financial year. Interest and cash dividends received from trading securities are recognized on the cash basis in the income statement.

These securities are subject to impairment review at the date of the financial statements. Provision for securities that are fallen within the scope of Circular 11 see details in accounting policy of "Provision for credit losses" are made in accordance with Circular 11. Provision for impairment of securities that are not subjected to the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recognized in the income statement as "Net gain/(loss) from held-for-trading securities".

Investment securities

Available-for-sale securities

Available-for-sale securities include debt and equity securities that the Bank holds less than 11% 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 financial year. 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 income statement 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 income statement 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 Circular 11 are made in accordance with Circular 11. Provision for impairment of securities that are not fallen within the scope of Circular 11 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the income statement as "Net gain/(loss) from investment securities".

Reclassification

According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, reclassification after 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 Long-term investment is established in cases where the economic entities in which the Bank is investing incur losses leading to the Bank's potential capital loss, unless there is evidence that the value of the investment is not impaired. The provision is reversed when the recoverable amounts of those investments increase after the provision is established. The provision reversal amount is limited to ensure that the carrying amount of the investments does not exceed the carrying amount of these investments when assuming no provision is recognized.

Other long-term investments are derecognized when the rights to receive cash flows from these investments have ceased or when the Bank has transferred a substantial portion of the risks and rewards of ownership of these investments.

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.

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 income statement 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 income statement.

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 income statement 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 income statement.

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	15 - 50
Machinery and equipment	8 - 15
Transportation vehicles	10
Other tangible fixed assets	8 - 10
Computer software	8 - 15

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.

Prepayments

Prepaid expenses related to brokerage commission fees are the amounts paid as commissions to the postal transaction offices directly related to the lending activities. These costs are allocated using the straight-line method over the term of each customer loan.

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 income statement 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 income statement 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 income statement 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 share capital

Common share capital is 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: 5% 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 income statement on the accrual basis. The accrued interest income arising from the loans that are classified from group 2 to group 5 in accordance with Circular 11, accrued interest income on loans restructured and maintained as Standard loan groups (group 1) as prescribed in Circular 01, Circular 03, Circular 14, Circular 02 and Decree 55/2015/ND-CP dated on 09 June 2015 will not be recognized in the income statement. Accrued interest income on such loans is recorded as an off-balance-sheet item and is recognized in the income statement 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 income statement for the financial year and is recorded as an off-balance sheet item and is only recognized in the income statement 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 and L/C commitment activities

Income from guarantee and L/C commitment activities is recognized on the accrual and allocation bases.

Recognition of dividends and profits received

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

Recognition of accrued income not yet collected

According to Circular No. 16/2018/TT-BTC dated 07 February 2018 issued by the Ministry of Finance, receivables recognized as accrued income but subsequently assessed to be not recoverable or not yet recoverable at the due date are recorded as reduction in revenue if the income has been accrued in the same financial year or recorded as other expenses if accrued in different financial year and monitored off-balance-sheet. Upon actual receipt of these receivables, the Bank recognizes them in "Other income" in the income statement.

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 income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to 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 17.5% 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 the Circular No. 28/2015/TT-BLDTBXH dated 31 July 2015 of the Ministry of Labor - War Invalids and Social Affairs guiding the implementation of Article 52 of the Employment Law 2013 and Decree No. 28/2015/NĐ-CP of the Government dated 12 March 2015 regulating the implementation of the Law on unemployment insurance, from 01 January 2009, the Bank is obliged to pay unemployment insurance to eligible employees at 1% of their salary fund allocated for unemployment insurance.

Related parties

The parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making decisions on financial and operating policies. or when both the Bank and the other party share common control or significant influence. Related parties can be companies or individuals, including immediate family members of individuals considered related.

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.

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5. CASH

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Cash on hand in VND	2,287,656	2,887,662
Cash on hand in foreign currencies	95,106	96,215
	<u>2,382,762</u>	<u>2,983,877</u>

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Balances with the SBV in VND	14,416,346	9,770,682
Balances with the SBV in foreign currencies	162,098	553,018
	<u>14,578,444</u>	<u>10,323,700</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 financial year and the beginning of the financial year:

	<u>Closing balance</u>	<u>Opening balance</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%

7. DEPOSITS AT AND LOANS TO OTHER CREDIT INSTITUTIONS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Deposits with other credit institutions	35,059,076	31,367,998
Demand deposits	757,476	1,003,523
- In VND	284,831	460,581
- In foreign currencies	472,645	542,942
Term deposits	34,301,600	30,364,475
- In VND	25,353,150	21,752,300
- In foreign currencies	8,948,450	8,612,175
Loans to other credit institutions	526,177	658,198
- In VND	526,177	658,198
In which: Discount, rediscount	369,201	
Provision for loans to other credit institutions	(57,577)	(58,198)
	<u>35,527,676</u>	<u>31,967,998</u>

Analysis of deposits with and loans to other credit institutions (excluding current accounts in local credit institutions, foreign banks' branches in Vietnam under Circular 11) and loans to other credit institutions by quality:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Standard	35,090,854	30,964,475
Loss	56,977	58,198
	<u>35,147,831</u>	<u>31,022,673</u>

8. HELD-FOR-TRADING SECURITIES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Other held-for-trading securities		
Open-end fund certificates issued by foreign economic entities	580,440	566,280
	<u>580,440</u>	<u>566,280</u>

Listing status of held-for-trading securities:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Other held-for-trading securities		
Unlisted	580,440	566,280
	<u>580,440</u>	<u>566,280</u>

9. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

Details of derivatives as at 31 December 2023 are as follows:

	<u>Closing balance</u>		<u>Opening balance</u>	
	The total value of the contract	Total accounting value Assets/ (Liabilities)	The total value of the contract	Total accounting value Assets/ (Liabilities)
	VND million	VND million	VND million	VND million
Currency derivatives	159,390,424	(78,736)	90,627,836	(42,030)
Currency forwards	918,457	(16,142)	15,204,071	124,567
Currency swaps	158,471,967	(62,594)	75,423,765	(166,597)
Other derivatives	4,483,185	2,950	-	-
Interest rate swap contracts	4,483,185	2,950	-	-
	<u>163,873,609</u>	<u>(75,786)</u>	<u>90,627,836</u>	<u>(42,030)</u>

10. LOANS TO CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Loans to local economic entities and individuals	274,903,245	234,993,485
Loans on discounting negotiable instruments and valuable papers	16,238	59,000
Amounts paid on behalf of customers	367	-
Loans using grants, investment entrustment	511,034	454,386
	<u>275,430,884</u>	<u>235,506,871</u>

Analysis of loan portfolio by quality:

	<u>Closing balance</u>		<u>Opening balance</u>	
	VND million	%	VND million	%
Standard	268,630,841	97.53	228,513,627	97.03
Special mention	3,111,392	1.13	3,566,426	1.51
Sub-standard	812,753	0.30	1,069,695	0.45
Doubtful	1,706,597	0.62	1,004,566	0.43
Loss	1,169,301	0.42	1,352,557	0.58
	<u>275,430,884</u>	<u>100.00</u>	<u>235,506,871</u>	<u>100.00</u>

Analysis of loans portfolio by original term:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Short-term loans (under one year)	114,751,090	88,471,294
Medium-term loans (from one year to five years)	117,315,182	100,339,749
Long-term loans (over five years)	43,364,612	46,695,828
	<u>275,430,884</u>	<u>235,506,871</u>

Analysis of loan portfolio by type of businesses

	<u>Closing balance</u>		<u>Opening balance</u>	
	VND million	%	VND million	%
One member limited liability companies of 100% State-owned equity	242,550	0.09	370,506	0.16
Other types of limited liability companies	122,892,869	44.62	35,015,355	14.87
Joint-stock company with over 50% State-owned equity	3,373,000	1.22	3,321,598	1.41
Other types of joint stock companies	33,648,706	12.22	79,755,195	33.87
Partnerships	599	0.00	774	0.00
Private companies	636	0.00	5,347	0.00
Cooperatives and cooperative unions	39,394	0.01	70,267	0.03
Administrative units, party, unions and associations	56,869	0.02	25,152	0.01
Individuals	115,176,261	41.82	116,942,677	49.65
	<u>275,430,884</u>	<u>100.00</u>	<u>235,506,871</u>	<u>100.00</u>

Analysis of loan portfolio by sector:

	Closing balance		Opening balance	
	VND million	%	VND million	%
Agriculture, forestry and aquaculture	21,381,814	7.76	18,225,025	7.74
Mining	107,940	0.04	200,876	0.09
Manufacturing and processing	23,272,541	8.45	16,893,510	7.17
Electricity, gas, hot water, steam and air conditioning manufacturing	9,280,687	3.37	3,707,662	1.57
Water supplying, waste and sewage processing and management	101,788	0.04	178,952	0.08
Construction	40,917,258	14.86	44,511,469	18.90
Wholesale and retail; repair of motor vehicles, motorcycles and other vehicles	59,572,371	21.63	56,359,145	23.93
Accommodation and food services	23,618,699	8.58	15,287,303	6.49
Transport and warehousing	1,539,252	0.56	1,672,054	0.71
Information and communication	7,808,323	2.83	70,748	0.03
Financial, banking and insurance activities	286,343	0.10	290,832	0.12
Real estate trading	13,982,476	5.08	3,911,365	1.66
Specialization, scientific and technology activities	211,374	0.08	782,441	0.33
Administration activities and supporting services	1,157,097	0.42	1,585,087	0.67
The Communist Party, socio-political unions, state management, security and national defence, compulsory social insurance	-	0.00	12,971	0.01
Education and training	67,805	0.02	1,695,501	0.72
Health care and social work	267,549	0.10	376,457	0.16
Art, playing and recreation	23,386,552	8.49	14,998,363	6.37
Other service activities	649,714	0.24	740,641	0.31
Household services	47,821,301	17.35	54,006,469	22.94
	275,430,884	100.00	235,506,871	100.00

11. PROVISIONS FOR LOANS TO CUSTOMERS

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

	<u>General provision</u> VND million	<u>Specific provision</u> VND million	<u>Total</u> VND million
Opening balance	1,751,300	3,118,595	4,869,895
Allowance made during the year	303,462	2,526,003	2,829,465
Allowance utilised for bad debts written off during the year	-	(4,241,125)	(4,241,125)
Closing balance	2,054,762	1,403,473	3,458,235

Movements in provisions for loans to customers for the financial year ended 31 December 2022 are as follows:

	<u>General provision</u> VND million	<u>Specific provision</u> VND million	<u>Total</u> VND million
Opening balance	1,554,425	1,616,277	3,170,702
Allowance made during the year	196,875	2,916,330	3,113,205
Allowance used for bad debts written off during the year	-	(1,414,012)	(1,414,012)
Closing balance	1,751,300	3,118,595	4,869,895

12. DEBTS PURCHASED

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Debts purchased by VND	21,961	260,453
Provision for debts purchased	(165)	(2,969)
	21,796	257,484

Principal of the debts purchased

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Principal amount of debts purchased	18,282	251,835
Interest amount of debts purchased	3,679	8,618
	21,961	260,453

Analysis of debts purchased by quality

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Standard	21,961	260,453
	21,961	260,453

13. INVESTMENT SECURITIES

Available-for-sale investment securities

	Closing balance	Opening balance
	VND million	VND million
Debt securities	46,844,367	42,007,289
Debt securities issued by the Government and local Government (i)	27,708,770	27,915,448
Debt securities issued by other domestic credit institutions (ii)	19,135,597	14,091,841
<i>In which: Debt securities guaranteed by the Government</i>	<i>2,235,562</i>	<i>2,241,590</i>
Equity securities	1	1
Equity securities issued by local economic entities	1	1
	46,844,368	42,007,290

(i) Represents bonds issued by the State Treasury and Hai Phong People's Committee, denominated in VND. These bonds have terms ranging from 5 to 20 years and annual interest rates ranging from 2.00% to 8.80% (as at 31 December 2022: from 2.00% to 9.10%). Interest is earned annually.

(ii) Represents bonds issued by other domestic credit institutions, denominated in VND. These bonds have terms ranging from 6 months to 10 years and annual interest rates ranging from 2.30% to 11.50% (as at 31 December 2022: from 2.30% to 16.00%). Interest is earned semi-annually or annually.

14. LONG-TERM INVESTMENTS

	Closing balance	Opening balance
	VND million	VND million
Other long-term investments	348,718	315,931
	348,718	315,931

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	%
Lien Viet Securities Joint Stock Company	15,931	5.50	15,931	5.50
Xuan Thanh Insurance Joint Stock Corporation	32,787	4.82	-	-
Viet Lao Power Joint Stock Company	300,000	6.86	300,000	6.87
	348,718		315,931	

15. TANGIBLE FIXED ASSETS

Movements of tangible fixed assets in the financial year ended 31 December 2023 are as follows:

	<u>Buildings, structures</u>	<u>Machinery, equipment</u>	<u>Motor vehicles</u>	<u>Management tools and equipment</u>	<u>Others tangible fixed assets</u>	<u>Total</u>
	VND million	VND million	VND million	VND million	VND million	VND million
Cost						
Opening balance	784,204	790,350	900,041	298,189	56,955	2,829,739
New purchases for the year	-	96,105	114,189	32,258	21,410	263,962
Disposals	-	(17,570)	(42,538)	(35,330)	(3,785)	(99,223)
Other (decreases)	(53,574)	-	-	-	-	(53,574)
Closing balance	<u>730,630</u>	<u>868,885</u>	<u>971,692</u>	<u>295,117</u>	<u>74,580</u>	<u>2,940,904</u>
Accumulated depreciation						
Opening balance	285,150	588,657	498,012	216,607	38,518	1,626,944
Depreciation for the year	39,928	61,485	84,747	29,713	9,693	225,566
Other (increases)	-	-	-	68	-	68
Disposals	-	(17,377)	(28,365)	(27,126)	(3,233)	(76,101)
Other (decreases)	(3,880)	(873)	(625)	-	(838)	(6,216)
Closing balance	<u>321,198</u>	<u>631,892</u>	<u>553,769</u>	<u>219,262</u>	<u>44,140</u>	<u>1,770,261</u>
Net book value						
Opening balance	<u>499,054</u>	<u>201,693</u>	<u>402,029</u>	<u>81,582</u>	<u>18,437</u>	<u>1,202,795</u>
Closing balance	<u>409,432</u>	<u>236,993</u>	<u>417,923</u>	<u>75,855</u>	<u>30,440</u>	<u>1,170,643</u>

Other information about tangible fixed assets:

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Commitment to buy high-value fixed assets in the future	340,702	44,626
Cost of tangible fixed assets fully amortized but still in use	733,637	723,554

16. INTANGIBLE FIXED ASSETS

	<u>Land use rights</u> VND million	<u>Software computer</u> VND million	<u>Total</u> VND million
Cost			
Opening balance	409,789	269,167	678,956
New purchases during the year	214,428	102,652	317,080
Closing balance	<u>624,217</u>	<u>371,819</u>	<u>996,036</u>
Accumulated depreciation			
Opening balance	19,824	168,729	188,553
Amortisation for the year	3,862	24,277	28,139
Closing balance	<u>23,686</u>	<u>193,006</u>	<u>216,692</u>
Net book value			
Opening balance	<u>389,965</u>	<u>100,438</u>	<u>490,403</u>
Closing balance	<u>600,531</u>	<u>178,813</u>	<u>779,344</u>

Other information about special intangible fixed assets:

	<u>Closing balance</u> VND million
Commitment to buy high-value fixed assets in the future	22,372
Cost of intangible fixed assets fully amortized but still in use	61,602

17. OTHER ASSETS

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Receivables	3,050,171	2,185,961
- Other receivables (Note 17.1)	3,050,171	2,185,961
Interest and fee receivables	5,037,867	4,149,087
Other assets	575,737	665,150
- Prepaid expenses (Note 17.2)	521,646	626,970
- Other assets	54,091	38,180
Provision for impairment of other assets	(7,436)	(7,085)
	<u>8,656,339</u>	<u>6,993,113</u>

17.1 Other receivables

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Receivables from UPAS L/C (Usance L/C payable at sight) (i)	251,584	1,236,138
Advance for purchase of fixed assets	338,951	216,463
Advances for construction for charity purposes	149,242	247,701
Deposit for operating activities	1,614,314	194,984
Advance for operating activities	388,134	137,391
Receivables from post offices of provinces (ii)	46,590	48,714
Advance for office renovation	123,800	28,609
Deposits for long-term office rental	33,166	33,958
Receivable from the SBV relating to interest rate subsidy program	9,761	9,268
Receivable from credit card operation	6,158	4,335
Other receivables	88,471	28,400
	<u>3,050,171</u>	<u>2,185,961</u>

(i) Represent receivables from importers who are customers of the Bank under UPAS L/C (Usance L/C payable at sight) issued by the Bank. Accordingly, the counterpart bank pays the beneficiary (exporters) before the due date of the deferred payment documents and earns prepayment service fee.

(ii) Represents receivables from provincial post offices related to fundraising and deposit-taking of the Bank. These amounts occur every day and have the repayment term within one month.

17.2 Prepaid expenses

	<u>Current year</u>	<u>Prior year</u>
	VND million	VND million
Brokerage commission fees (i)	192,553	200,725
Payment for office rental	43,808	159,027
Head office repair and improvement expenses	84,153	78,745
Other prepaid expenses	201,132	188,473
	<u>521,646</u>	<u>626,970</u>

(i) Represent commissions paid to the system of post offices directly related to lending to customers. These expenses are amortized according to the term of each loan to customer.

18. AMOUNT DUE TO THE GOVERNMENT AND THE SBV

	<u>Closing balance</u>	<u>Opening balance</u>
	Triệu VND	Triệu VND
Borrowings from the SBV	89,425	3,073,010
- Borrowings based on credit facilities	89,425	122,642
- Borrowings secured by mortgage of valuable papers	-	2,950,368
Deposits from the State Treasury	151	3,771
- Deposits in VND	151	3,771
	<u>89,576</u>	<u>3,076,781</u>

19. 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	143,814	25,782
- In VND	143,806	25,772
- In foreign currency	8	10
Term deposits from other credit institutions	47,008,790	37,668,665
- In VND	34,094,000	26,059,925
- In foreign currency	12,914,790	11,608,740
Borrowings from other credit institutions	2,959,825	1,965,575
- In VND	1,749,890	785,089
<i>In which: discount, rediscount</i>	961,676	-
- In foreign currency	1,209,935	1,180,486
	<u>50,112,429</u>	<u>39,660,022</u>

As at 31 December 2023, the Bank pledged debt securities being Government bonds and other credit institution bonds with a total face value of VND 4,295,000 million (as at 31 December 2022: VND 4,295,000 million) at other credit institutions, as collateral for placements with and loans to other credit institutions (Note 13).

20. DEPOSITS FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND million	VND million
Demand deposits	22,919,137	18,760,984
- In VND	22,532,154	18,117,334
- In foreign currency	386,983	643,650
Term deposits	214,351,072	196,966,597
- In VND	214,177,382	194,153,393
- In foreign currency	173,690	2,813,204
Marginal deposits	117,514	139,663
- In VND	117,512	138,977
- In foreign currency	2	686
Deposits for specific purposes	3,886	20,781
- In VND	357	334
- In foreign currency	3,529	20,447
	<u>237,391,609</u>	<u>215,888,025</u>

Deposits from customers categorized by type of customers and economic entities are as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
Economic entities	63,322,060	76,534,120
State-owned enterprises	1,377,889	5,510,740
Limited companies with 100% State-owned	41,262,346	43,290,510
Limited companies with over 50% State-owned equity	9,640	7,252
Other limited companies	6,248,859	5,888,102
Joint Stock Companies with over 50% State-owned equity	3,499,201	4,814,055
Other Joint Stock Companies	7,687,224	8,456,507
Partnership	223,926	15,268
Private enterprises	17,244	23,106
Foreign direct investment enterprises	221,379	4,013,522
Cooperative and cooperative union	19,072	7,384
Individual business	3,877	2,685
Administrative and Public Non-Business Units, Party, Organizations, and Associations	2,173,026	4,421,229
Deposits from other entities	578,377	83,760
Individuals	174,069,549	139,353,905
	<u>237,391,609</u>	<u>215,888,025</u>

21. VALUABLE PAPERS ISSUED

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Certificates of deposits in VND	20,185,357	13,549,667
Below 12 months	14,800,000	8,000,000
From 12 months to 5 years	5,385,423	5,550,034
Discount	(66)	(367)
Bonds in VND	27,724,524	21,498,500
From 12 months to 5 years	18,450,000	14,290,000
More than 5 years	9,315,454	7,260,975
Discount	(40,930)	(52,475)
	<u>47,909,881</u>	<u>35,048,167</u>

As at 31 December 2023, the bank pledged debt securities being Government bonds with a total face value of VND 3,090,000 million (as at 31 December 2022: VND 3,090,000 million) at Vietnam Securities Depository Center as collateral for bonds issued by the Bank (Note 13).

22. OTHER LIABILITIES

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Interest and fee payables	9,839,488	6,525,149
Internal payables	245,407	17,125
External payables (Note 22.1)	2,732,150	3,036,856
Bonus and welfare funds	349,453	396,538
	<u>13,166,498</u>	<u>9,975,668</u>

22.1 External payables

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Payables for Vi Viet e-wallet services	801,538	471,317
Tax payables (Note 38)	1,009,556	878,161
Payables for UPAS L/C transaction (Unsanctioned L/C payable at sight)	251,584	1,236,138
Amount due to customers awaiting settlement	235,051	249,520
Commissions fees for provincial post office	97,015	79,068
Payables for card services	267,859	58,468
Revenue awaiting allocation	31,792	10,113
Payables for purchasing of fixed assets and construction in progress	3,559	5,447
Payables for e-banking services	1,899	1,223
Other payables	32,297	47,401
	<u>2,732,150</u>	<u>3,036,856</u>

23. CAPITAL AND RESERVES

23.1 Statement of changes in equity

	Charter capital	Share premium	Investment and development fund	Financial reserve	Charter capital supplementary reserve	Retained earnings	Total
	VND million	VND million	Triệu VND	VND million	VND million	VND million	VND million
Balance as at 01 January 2023	17,291,054	57	3,793	1,899,865	956,541	3,903,844	24,055,154
Capital increase through stock dividend payment (Note 23.4)	3,285,110	-	-	-	-	(3,285,110)	-
Capital increase through stock offering (i)	5,000,000	-	-	-	-	-	5,000,000
Profit after tax for the year	-	-	-	-	-	5,572,246	5,572,246
Appropriation of funds for the year	-	-	-	557,224	278,613	(835,837)	-
Temporary appropriation to bonus and welfare funds for 2023 (ii)	-	-	-	-	-	(510,000)	(510,000)
Balance as at 31 December 2023	25,576,164	57	3,793	2,457,089	1,235,154	4,845,143	34,117,400

- (i) On 31 October 2023, the Bank issued Resolution No. 3245/2023/NQ-HDQT announcing the results of the additional public offering of shares. Accordingly, the number of issued shares is 500,000,000 shares, equivalent to 100% of the total number of shares offered. Total proceeds from the issuance are VND 5,000,000 million.
- (ii) The Bank has allocated a welfare fund for rewards according to the Profit Distribution Plan for the year 2022 passed at the Annual Shareholders' Meeting in 2023 under the Resolution dated 23 April 2023 of the Annual Shareholders' Meeting.

23.2 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	%
Vietnam Post Corporation	1,671,970	1,671,970	6.54%	1,405,016	1,405,016	8.13%
Other shareholders	23,904,194	23,904,194	93.46%	15,886,038	15,886,038	91.87%
	25,576,164	25,576,164	100.00%	17,291,054	17,291,054	100.00%

As at 31 December 2023, the Bank has a shareholder held more than 5% of the Bank's ordinary shares, which is Vietnam Post Corporation. The business registration certificate number of Vietnam Post Corporation is 0102595740, and the Head Office address is located at No. 5, Pham Hung Street, My Dinh Ward, Nam Tu Liem District, Hanoi City, Vietnam.

23.3 Details of the Bank's shares

	Closing balance	Opening balance
	Number of shares	Number of shares
Number of shares registered to issue	2,557,616,416	1,729,105,369
Number of shares offered to public	2,557,616,416	1,729,105,369
- Ordinary shares	2,557,616,416	1,729,105,369
Number of shares in circulation	2,557,616,416	1,729,105,369
- Ordinary shares	2,557,616,416	1,729,105,369
Par value per share (VND)	10,000	10,000

Each ordinary share corresponds to one voting right in the Bank's shareholder meetings. Shareholders have the right to receive dividends that the Bank announces at various times. All ordinary shares have equal priority in terms of the remaining assets of the Bank. The rights of repurchased shares by the Bank are temporarily suspended until they are reissued.

23.4 DIVIDENDS

The resolution of the Annual General Meeting 2023 of Shareholders dated 23 April 2023 approved the 2022 profit distribution plan in accordance with the contents of Report No. 366/2023/TTr-HDQT dated 31 March 2023 of the Board of Directors of the Bank, including the plan to issue shares to pay dividends in 2022 at the rate of 19%. According to Resolution No. 1490/2023/NQ- HDQT dated 12 July 2023 of the Board of Directors, the last registration date to finalize the list of shareholders exercising the right to receive dividends in shares in 2022 was on 23 August 2023. According to the Report on Results on the 2022 Dividend Issuance No. 12550/2023/BC-LPBank.VPHĐQT dated 29 August 2023, the Bank has distributed 385,511,047 shares.

24. INTEREST AND SIMILAR INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND million	VND million
Interest income from deposits	1,121,923	583,502
Interest income from loans to customers	28,449,092	22,696,143
Interest income from trading debt securities	2,254,660	1,868,956
Income from guarantee	524,389	43,768
Income from debt purchasing	3,587	33,257
Other income from credit activities	-	18
	<u>32,353,651</u>	<u>25,225,644</u>

25. INTEREST AND SIMILAR EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND million	VND million
Interest expenses for deposits	16,700,017	10,242,271
Interest expenses for borrowings	178,172	356,843
Interest expenses for issuance of valuable papers	3,064,227	1,903,706
Other expenses for credit activities	20,295	23,334
Brokerage commission fee for postal saving services	1,187,811	799,521
	<u>21,150,522</u>	<u>13,325,675</u>

26. NET GAIN FROM SERVICES

	<u>Current year</u>	<u>Prior year</u>
	VND million	VND million
Income from services	3,905,989	2,096,512
Settlement services	182,265	180,305
Treasury activities	32,528	36,518
Entrusting, consulting and insurance agency services	2,689,397	1,623,724
Other services	1,001,799	255,965
Expenses on services	(340,362)	(434,650)
Settlement services	(181,982)	(189,920)
Treasury activities	(855)	(884)
Other services	(157,525)	(243,846)
Net gain from services	<u>3,565,627</u>	<u>1,661,862</u>

27. NET GAIN FROM GOLD AND FOREIGN CURRENCY TRADING

	<u>Current year</u> VND million	<u>Prior year</u> VND million
Income from trading foreign currencies	1,977,532	1,670,903
Gain from trading foreign currencies	363,617	448,513
Gain from monetary derivative financial instruments	1,613,915	1,222,390
Expenses for trading foreign currencies	(1,542,434)	(1,660,440)
Expenses for foreign exchange spot transactions	(83,867)	(475,913)
Expenses for monetary derivative financial instruments	(1,458,567)	(1,184,527)
Net gain from trading foreign currencies	435,098	10,463

28. NET GAIN FROM TRADING HELD-FOR-TRADING SECURITIES

	<u>Current year</u> VND million	<u>Prior year</u> VND million
Gain from trading held-for-trading securities	30,208	-
Loss from trading securities	-	(2,769)
	<u>30,208</u>	<u>(2,769)</u>

29. NET (LOSS)/GAIN FROM TRADING INVESTMENT SECURITIES

	<u>Current year</u> VND million	<u>Prior year</u> VND million
Gain from trading investment securities	1,464	343,379
Loss from trading investment securities	(6,718)	(14,302)
Reversal provision for trading investment securities	-	16,685
	<u>(5,254)</u>	<u>345,762</u>

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

	<u>Current year</u> VND million	<u>Prior year</u> VND million
Dividends and profits received in the year from capital contribution:	49,345	53,877
- From long-term capital contribution and investments	49,345	53,877
	<u>49,345</u>	<u>53,877</u>

31. NET GAIN FROM OTHER ACTIVITIES

	Current year	Prior year
	VND million	VND million
Income from other activities	490,524	334,327
Proceeds from disposal of assets	16,163	8,816
Income from debts written off	376,721	298,260
Income from interest rate swaps	74,493	15,225
Other income	23,147	12,026
Expenses on other activities	(143,372)	(133,180)
Expenses on interest rate swap contracts	(63,874)	(103,029)
Other expenses	(79,498)	(30,151)
Net gain from other activities	347,152	201,147

32. OPERATING EXPENSES

	Current year	Prior year
	VND million	VND million
1. Taxes, duties and fees	156,982	118,935
2. Staff costs	3,233,810	3,038,695
In which:		
- <i>Salaries and allowances</i>	2,793,324	2,563,451
- <i>Salary-based expenses</i>	271,746	237,687
- <i>Severance allowances</i>	3,868	1,183
- <i>Other staff costs</i>	164,872	236,374
3. Expenses on assets	1,023,185	884,358
In which:		
- <i>Depreciation and amortization</i>	253,705	282,836
- <i>Rental expenses</i>	488,567	334,040
- <i>Repair and maintenance expenses</i>	280,913	267,482
4. Expenses related to public affairs management	1,097,649	1,072,013
In which:		
- <i>Per diem</i>	24,048	20,192
- <i>Expenses related to union activities</i>	505	397
- <i>Other expenses on management activities</i>	1,073,096	1,051,424
5. Insurance expenses on deposits of customers	236,979	181,642
6. Other provision cost	351	2,166
7. Other operating expenses	10,916	9,084
	5,759,872	5,306,893

33. PROVISION EXPENSES FOR CREDIT LOSSES

	<u>Current year</u>	<u>Previous year</u>
	VND million	VND million
(Reversal)/Provision made for loans to other credit institutions (Note 7)	(621)	58,198
Provision made for loans to customers (Note 11)	2,829,465	3,113,205
(Reversal)/Provision made for debts purchased (Note 12)	(2,804)	2,969
Reversal for investment securities (Note 13)	-	(635)
	<u>2,826,040</u>	<u>3,173,737</u>

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

	<u>Current year</u>	<u>Prior year</u>
	VND million	VND million
Profit before tax	7,039,393	5,689,681
<i>Less:</i>		
Non-taxable income	(49,345)	(53,877)
<i>Add:</i>		
Other non-deductible expenses	292,242	185,282
Taxable income	7,282,290	5,821,086
CIT rate	20%	20%
CIT expenses based on tax rate	1,455,900	1,163,900
Adjustments for income tax differences in prior years	11,247	15,528
Total CIT for the year	1,467,147	1,179,428
CIT payable at the beginning of the year	804,800	185,000
CIT paid during the year	(1,299,047)	(559,628)
CIT payable at the end of the year	972,900	804,800

35. BASIC EARNINGS PER SHARE

	<u>Current year</u>	<u>Prior year</u>
	VND million	(Restatement) VND million
Profit after tax	5,572,246	4,510,253
Appropriation of other funds (excluding charter capital supplemental reserve fund, charter capital supplemental reserve fund, financial reserve fund and other equity funds) (*)	-	(510,000)
Profits distributed to shareholders owning common shares	5,572,246	4,000,253

(*) The previous year's reward and welfare fund appropriation are represented according to actual figures on the Bank's Board of Directors' Resolution approved in 2023.

At the date of these financial statements, the Bank has not made an estimate of the amount of the welfare reward fund appropriation for the financial year ended 31 December 2023. As a result, the basic earnings per share are calculated based on earnings estimates excluding 2023 welfare reward fund appropriation. The actual amount of profit distribution to the welfare reward fund for the year

ended 31 December 2023 will be approved during the 2024 General Meeting of Shareholders and therefore the above basic earning per share would be adjust accordingly.

Number of ordinary shares for basic earning calculation

According to the guidance in Vietnam Accounting Standard No. 30 – Earning per share, the Bank is required to retrospectively adjust "Basic earnings per share" for all reporting periods if the number of outstanding ordinary shares increases due to capitalization, issuance of bonus shares, stock splitting or decrease due to pooling of shares, including changes that occur after the end of the financial year but before the date the financial statement issue.

In accordance with Resolution No. 733/2023/NQ-BOD dated 05 May 2023 and Resolution No. 1490/2023/NQ-BOD dated 12 July 2023, the Board of Directors of the Bank has decided to issue shares to pay dividends from out of 2022 retained earnings at the ratio of 100:19. On 23 August 2023, the Bank completed the issuance of an additional 385,511,047 shares to pay dividends, so the basic earnings per share for the year ended 31 December 2022 are restated as follows:

	<u>Current year</u>	<u>Prior year</u>
	Shares	Shares
Ordinary shares issued at the beginning of the year	1,592,528,412	1,203,590,474
Effects of issuing shares under the employee share scheme	-	32,502,994
Issuance of shares private placement in 2022	-	130,915,568
Effect of the number of ordinary shares issued to pay share dividends in 2022	-	225,519,376
Effects of the number of ordinary shares issued to pay share dividends in 2023	385,511,047	385,511,047
Issuance of shares private placement in 2023	82,191,781	-
The weighted average of common shares for calculating basic earning per share	2,060,231,240	1,978,039,459
Basic earnings per share:		
	<u>Current year</u>	<u>Prior year</u>
	VND	(Restatement) VND
Basic earnings per share	2,705	2,022
	2,705	2,022

The figures of basic earnings per share for the year ended 31 December 2022 are restated as follows:

	Current year	Prior year (Restated)
Profits distributed to shareholders owning common shares (VND million)	4,253,322	4,000,253
The weighted average of common shares for calculating basic earning per share (shares)	1,592,528,412	1,978,039,459
Basic earning per share (VND)	2,671	2,022
36. CASH AND CASH EQUIVALENTS		
	Closing balance	Opening balance
	VND million	VND million
Cash, gold and gemstones	2,382,762	2,983,877
Balances with the SBV	14,578,444	10,323,700
Deposits with other credit institutions	35,059,076	31,367,998
- Demand deposits	757,476	1,003,523
- Term deposit with term of 3 months or less	34,301,600	30,364,475
	52,020,282	44,675,575
37. EMPLOYEES' INCOME		
	Current year	Prior year
I. Total average number of employees at the end of the year (person)	10,627	12.203
Total average number of employees at the end of the year (person)	11,180	11.753
II. Employees' income (VND million)		
1. Salary and allowances	2,793,324	2,563,451
2. Allowances	275,614	238,870
3. Other income	164,872	236,374
4. Total income (1+2+3)	3,233,810	3,038,695
5. Average monthly income per employee (VND million/person/month)	20.82	18.18
6. Average monthly income	24.10	21.55

38. THE BANK'S OBLIGATIONS TO THE STATE BUDGET

	Opening balance	During the year		Closing balance
		Payable	Paid	
	VND million	VND million	VND million	VND million
Value-added tax	17,996	298,503	(305,271)	11,228
Corporate income tax	804,800	1,467,147	(1,299,047)	972,900
Other taxes	55,365	237,437	(267,374)	25,428
	878,161	2,003,087	(1,871,692)	1,009,556

39. TYPES AND VALUE OF COLLATERALS AND MORTGAGES

Assets, valuable papers received as mortgages, pledges and discounts, rediscounts

	Closing balance	Opening balance
	VND million	VND million
Investment securities	12,185,000	10,716,761
	12,185,000	10,716,761

Assets, valuable papers used for mortgages, pledges and discounts, rediscounts

	Closing balance	Opening balance
	VND million	VND million
Real estate	327,973,063	418,557,721
Movable estate	8,148,299	8,721,363
Valuable papers	95,889,324	77,867,203
Other assets	380,200,274	105,858,974
	812,210,960	611,005,261

40. TRUST AND AGENCY ACTIVITIES FOR CREDIT INSTITUTIONS

	Closing balance	Opening balance
	VND million	VND million
Other trust activities	4,707,967	4,702,374
	4,707,967	4,702,374

41. CONTIGENT LIABILITIES AND OTHER COMMITMENTS

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Credit guarantees	55,340	59,340
Foreign currency commitments	162,150,751	74,355,004
<i>Foreign currency purchased commitments</i>	-	54,514
<i>Foreign currency sale commitments</i>	2,902,200	32,868
<i>Swap commitments</i>	159,248,551	74,267,622
Letters of credit commitments	676,398	1,786,014
Other guarantees	1,706,763	944,919
Other commitments	4,486,870	301,096
	<u>169,076,122</u>	<u>77,446,373</u>

42. UNCOLLECTED INTEREST FROM LOANS AND FEE RECEIVABLES

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Loan interest not yet collected	1,232,715	1,105,975
Fees not yet collected	3,011	1,758
	<u>1,235,726</u>	<u>1,107,733</u>

43. 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 year	7,138,374	3,200,989
Interest amount of bad debts written-off under surveillance year	3,511,401	2,715,877
Other bad debts written-off	34	34
	<u>10,649,809</u>	<u>5,916,900</u>

44. OTHER ASSETS AND PAPERS

	<u>Closing balance</u> VND million	<u>Opening balance</u> VND million
Other assets held on be half	2,322,992	2,650,884
	<u>2,322,992</u>	<u>2,650,884</u>

45. RELATED PARTY TRANSACTIONS AND BALANCES

Details of significant balances with related parties as at 31 December 2023 are as follows:

Related party	Balance	31/12/2023		31/12/2022	
		Receivables	(Payables)	Receivables	(Payables)
		VND million	VND million	VND million	VND million
Vietnam Post Corporation	- Demand deposit and term deposit	-	(921,265)	-	(782,954)
	- Other receivables	46,590	-	48,714	-
	- Interest payable on term deposit contracts	-	(13,439)	-	(11,982)

Transactions with related parties for the year ended 31 December 2023 are as follows:

Related parties	Transactions	Current year VND million	Prior year VND million
Vietnam Post Corporation	- Interest expenses paid	(16,036)	(12,431)

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

Name	Title	Assigned/ resigned date	Current year VND million	Prior year VND million
Board of management			10,618	21,197
Mr. Nguyen Duc Thuy	Chairman		-	3,875
Mr. Nguyen Van Thuy	Standing Vice Chairman	Appointed on 07 June 2023	824	-
	Vice Chairman	Appointed on 23 April 2023		
Mr. Pham Doan Son	Standing Vice Chairman	Resigned on 22 April 2023	1,258	2,539
Mr. Ho Nam Tien	Vice Chairman	Appointed on 23 April 2023	824	-
Mr. Bui Thai Ha	Vice Chairman	Appointed on 23 April 2023	824	-
Mr. Duong Cong Toan	Vice Chairman	Resigned on 22 April 2023	1,258	4,117
Mr. Huynh Ngoc Huy	Vice Chairman	Resigned on 22 April 2023	2,083	4,611
	Member	Appointed on 23 April 2023		
Mr. Le Hong Phong	Member		2,011	3,600
Mr. Le Minh Tam	Independent member	Appointed on 23 April 2023	824	-
Ms. Duong Hoai Lien	Independent member	Resigned on 22 April 2023	712	2,455

<u>Name</u>	<u>Title</u>	<u>Assigned/ resigned date</u>	<u>Current year VND million</u>	<u>Prior year VND million</u>
Board of supervisors			2,785	2,262
Board of directors and Chief accountant			19,747	34,050
Mr. Ho Nam Tien	General Director	Appointed on 21 June 2023	1,705	-
	Acting General Director	Appointed on 17 March 2023 Resigned on 20 June 2023		
	Standing Depute General Director	Resigned on 16 March 2023		
Mr. Pham Doan Son	General Director	Resigned on 17 March 2023	1,631	5,373
Salaries of other key managers			16,411	28,677

46. GEOGRAPHICAL STRUCTURE OF ASSETS, LIABILITIES AND OFF-BALANCE-SHEET ITEMS AS AT 31 DECEMBER 2023

	<u>Total loan balance and debts purchased</u>	<u>Total deposits at SBV and other credit institutions</u>	<u>Total deposits and loans from other credit institutions and valuable papers issued to other credit institutions</u>	<u>Total deposits from customers</u>	<u>Credit commitments</u>	<u>Derivatives (Total contract value)</u>	<u>Trading and investment securities</u>
	<u>VND million</u>	<u>VND million</u>	<u>VND million</u>	<u>VND million</u>	<u>VND million</u>	<u>VND million</u>	<u>VND million</u>
Domestic	275,452,845	49,843,643	96,902,636	237,005,395	-	163,873,609	46,844,368
Overseas	-	320,054	1,209,250	386,214	695,062	-	580,440

47. 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 Risk Management Committee and Assets and Liabilities 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 management policy are established to identify and analyze the risks exposed to the Bank, to set appropriate risk limits and controls, and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions,

products and services offered 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 responsibilities.

The Legal and Risk Management Division is a focal point to cooperate with Operational Division to undertake both regular and ad-hoc reviews of risk management controls and monitoring procedures, the results of which are reported to the Chief Executive Officer, the Board of Directors. The Internal Audit Division undertakes independent reviews, inspections.

Along with setting up the departments in charge of risk management and risk management policies relating to financial instruments, the Bank also coordinates with suppliers in the information technology and telecommunication sectors to build an integrated system of risk management tools to support the risk management operation in protecting customers, suppliers and therefore, to enhance the sustainable development of the Bank.

The policies on currency risk, interest rate risk, credit risk, and liquidity risk are analyzed in details in Notes 48, 49, 50 and 51.

48. INTEREST RATE RISK

Interest rate risk is the possibility that the Bank's income or the value of its assets is affected by fluctuations in market interest rates. The Bank's activities are exposed to interest rate fluctuations when its interest-earning assets and interest-bearing liabilities mature at different times or with different values. Some assets lack specific maturity dates or are highly sensitive to interest rates and do not correspond to individual interest-bearing liabilities.

The Bank's assets and interest-bearing liabilities are classified based on the earlier of the revaluation date according to the contract or the maturity date, and the actual interest rate at the end of the accounting period. The revaluation date for assets and the projected maturity date can significantly differ from the dates stipulated in contracts, especially in the case of customer deposit maturity dates.

Interest rate risk for the Bank can originate from both investment activities and capital-raising and lending activities.

The interest rate reset period is the remaining time calculated from the date of financial statement preparation to the nearest interest rate reset date for various asset and liability items. The following assumptions and conditions are applied in analyzing the reset period for determining the interest rate of the Bank's assets and liabilities:

- ▶ Cash; long-term equity investments; fixed assets; other assets; and other liabilities are classified as items with no interest rate risk;
- ▶ Deposits with the State Bank of Vietnam (SBV) are classified as demand deposits, including compulsory reserves, hence the re-pricing interest rate term is non-interest-bearing or up to one month;
- ▶ Deposits and loans with other credit institutions; loans to customers; investment securities; derivative financial instruments; other financial assets; Amount due to the Government and the SBV; deposits and borrowings from other credit institutions; customer deposits; contributed capital, entrusted investment, loans to credit institutions with risk, and issued securities: The interest rate re-pricing period is determined based on the actual maturity date or the nearest interest rate reset date (for items with floating rates) from the date of financial statement preparation, whichever comes first;
- ▶ Derivative financial instruments and other financial liabilities, and other liabilities are classified as non-interest-bearing items.

The table below presents the Bank's exposure to interest rate risk as at 31 December 2023:

	Interest repricing term								Total VND million
	Overdue VND million	Not subject to interest rate re-pricing risk 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	
Assets									
Cash on hand	-	2,382,762	-	-	-	-	-	-	2,382,762
Balances with the SBV	-	14,578,444	-	-	-	-	-	-	14,578,444
Deposits at and loans to other credit institutions (*)	56,977	-	30,587,276	4,841,000	-	100,000	-	-	35,585,253
Derivatives and other financial assets	-	580,440	-	-	-	-	-	-	580,440
Loans to customers and debts purchased (*)	1,786,321	-	37,967,892	145,086,661	38,681,110	31,760,202	17,903,526	2,267,133	275,452,845
Investment securities (*)	-	6,755,143	250,000	3,300,000	1,443,000	3,714,275	9,600,000	21,781,950	46,844,368
Long-term investments (*)	-	348,718	-	-	-	-	-	-	348,718
Fixed assets	-	1,949,987	-	-	-	-	-	-	1,949,987
Other assets (*)	7,480	8,656,295	-	-	-	-	-	-	8,663,775
Total assets	1,850,778	35,251,789	68,805,168	153,227,661	40,124,110	35,574,477	27,503,526	24,049,083	386,386,592
Liabilities									
Deposits and borrowings from the SBV and other credit institutions	-	-	42,133,624	6,066,213	1,256,138	44,820	581,469	119,741	50,202,005
Deposits from customers	-	-	58,646,241	64,646,068	50,074,071	52,471,537	11,552,487	1,205	237,391,609
Valuable papers issued	-	75,786	-	-	-	-	-	-	75,786
Other liabilities	-	-	-	15,494,668	2,649,981	8,015,651	18,677,613	3,071,968	47,909,881
	-	13,166,498	-	-	-	-	-	-	13,166,498
Total liabilities	-	13,242,284	100,779,865	86,206,949	53,980,190	60,532,008	30,811,569	3,192,914	348,745,779
On-balance sheet interest sensitivity gap	1,850,778	22,009,505	(31,974,697)	67,020,712	(13,856,080)	(24,957,531)	(3,308,043)	20,856,169	37,640,813
On-balance sheet and off- balance sheet interest sensitivity gap	1,850,778	22,009,505	(31,974,697)	67,020,712	(13,856,080)	(24,957,531)	(3,308,043)	20,856,169	37,640,813

(*) Excluding provision for credit risk.

49. 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 USD. Since the Bank's financial statements are presented in Vietnamese Dong, the financial statements are susceptible to be affected by fluctuations in exchange rates between the US Dollar and the Vietnamese Dong.

The risks in foreign currency transactions of the Bank will result in foreign exchange gains or losses, and these gains or losses will be recognized in the income statement. This risk includes the assets and liabilities of the Bank denominated in currencies other than the Bank's functional currency, units of currency in cash in the fund, deposits with and loans to other credit institutions, investment securities, loans to customers, deposits and loans with other credit institutions, customer deposits, entrusted investment, grants, loans to credit institutions with risk assumption, and issuance of valuable papers.

The Bank has established limit statuses for each currency based on the Bank's internal risk assessment system and the regulations of the SBV. Currency statuses are managed daily, and risk mitigation strategies are employed by the Bank to ensure that currency statuses remain within the established limits. The Bank also maintains open positions to benefit from exchange rate fluctuations.

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The book values of the Bank's foreign currency denominated monetary assets and monetary liabilities as at 31 December 2023 are as follows:

	VND VND million	Converted EUR VND million	Converted USD VND million	Converted other currencies VND million	Total VND million
Assets					
Cash on hand	2,287,657	132	94,973	-	2,382,762
Balances with the SBV	14,416,346	-	162,098	-	14,578,444
Deposits at and loans to other credit institutions (*)	26,164,158	38,376	9,306,416	76,303	35,585,253
Derivatives and other financial assets	-	-	580,440	-	580,440
Loan to customers and debts purchase (*)	271,678,358	-	3,774,487	-	275,452,845
Investment securities (*)	46,747,094	-	97,274	-	46,844,368
Long-term investments (*)	348,718	-	-	-	348,718
Fixed assets	1,949,987	-	-	-	1,949,987
Other assets (*)	8,090,218	231	568,009	5,317	8,663,775
Total assets	371,682,536	38,739	14,583,697	81,620	386,386,592
Liabilities					
Deposits and borrowings from the SBV and other credit institutions	36,077,272	-	14,124,733	-	50,202,005
Deposits from customers	236,827,404	3,671	521,488	39,046	237,391,609
Derivatives financial instrument and other financial liabilities	75,786	-	-	-	75,786
Valuable paper issued	47,909,881	-	-	-	47,909,881
Other liabilities	12,805,601	1,494	352,036	7,367	13,166,498
	34,117,400	-	-	-	34,117,400
Total liabilities	367,813,344	5,165	14,998,257	46,413	382,863,179
On-balance-sheet currency position	3,869,192	33,574	(414,560)	35,207	3,523,413
Off-balance-sheet currency position	(2,825,212)	-	2,749,426	-	(75,786)
On and off-balance-sheet currency position	1,043,980	33,574	2,334,866	35,207	3,447,627

(*) Excluding provision for credit risk.

50. LIQUIDITY RISK

Liquidity risk is the risk that results in the Bank's losses and/or failing to meet its payment obligation when the Bank cannot mobilize sufficient liquid capital at appropriate costs and/or cannot sell assets at fair value and/or the Bank has to mobilize funds at high costs to meet its payment obligations at a point of time. Liquidity risk arises due to un-matching of maturity terms of assets and maturity terms of liabilities, the sensitivity of financial assets to changes in interest rates that makes the Bank unable to meet its payment obligation.

Liquidity Risk Management

The Bank's objective in liquidity risk management is to ensure as much as possible that the Bank has sufficient liquidity to meet its obligations and when they fall due, under both normal and stressed conditions, without incurring preventable losses or affecting the reputation of the Bank.

To limit this risk, the Bank has maintained an appropriate structure of assets and liabilities and also strengthened the ability to raise fund from diversified sources. The Bank manages assets with liquidity in mind and monitoring future cash flows and liquidity on a daily basis. The Bank has also assessed the expected cash flows and availability of current collaterals if additional funding is required.

In addition, the Bank maintains a deposit at the SBV in accordance with current regulations on statutory reserves, and at the same time ensures to maintain solvency ratios, short-term capital ratios for medium and long-term loans and operational prudential ratio limites in accordance with SBV's regulations.

Analysis of assets and liabilities based on remaining period of maturity

The remaining maturity of assets and liabilities reflects the time remaining for assets and liabilities to be settled from the reporting date to the payment period stipulated in contracts or issuance terms.

The following assumptions and conditions are applied in the analysis of the remaining maturity of assets and liabilities in the Bank's financial position report:

- ▶ Deposits at the SBV are classified as demand deposits, including compulsory reserves. The balance of compulsory reserves depends on the composition and maturity of customer deposits at the Bank;
- ▶ The remaining maturity of investment securities is calculated based on the maturity date stated in the contract for each type of security;
- ▶ The remaining maturity of placements with and loans to other credit institutions is determined based on the maturity date specified in the contract. The remaining maturity of loans to customers is determined based on the repayment period stipulated in the contract. The actual maturity dates may change due to loan and deposit contract extensions;
- ▶ The remaining maturity for investment in equity shares is considered to be more than five (05) years as these investments do not have specified maturity dates;
- ▶ Deposits, borrowings from other credit institutions, and customer deposits are determined based on the nature of these accounts or the maturity date specified in contracts. Vostro accounts and payment

deposits are transacted on a customer demand basis and are therefore classified within the shortest maturity range, which is up to 1 month. The maturity period for term deposits and borrowings is determined based on the contract's maturity date. In practice, these accounts might revolve and thus be maintained for a longer period than the initial maturity or term deposits might be withdrawn before maturity (not necessarily on the exact maturity date stated in the contract);

- ▶ The maturity period for fixed assets is allocated to the maturity range from 01 to 05 years.

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The table below presents the Bank's exposure to liquidity risk as at 31 December 2023:

	Overdue		Current					Total VND million
	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	
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	
Assets								
Cash on hand	-	-	2,382,762	-	-	-	-	2,382,762
Balances with the SBV	-	-	14,578,444	-	-	-	-	14,578,444
Deposits at and loans to other credit institutions (*)	-	56,977	30,587,276	4,841,000	100,000	-	-	35,585,253
Derivatives and other financial assets	-	-	580,440	-	-	-	-	580,440
Loans to customers and debt purchased (*)	625,577	1,160,744	12,707,805	20,267,472	126,903,557	91,771,946	22,015,744	275,452,845
Investment securities (*)	-	-	250,182	6,351,309	7,980,667	9,613,954	22,648,256	46,844,368
Long-term investments (*)	-	-	-	-	-	-	348,718	348,718
Fixed assets	-	-	-	-	-	1,949,987	-	1,949,987
Other assets (*)	-	7,480	8,656,295	-	-	-	-	8,663,775
Total assets	625,577	1,225,201	69,743,204	31,459,781	134,984,224	103,335,887	45,012,718	386,386,592
Liabilities								
Deposits and borrowings from the SBV and other credit institutions	-	-	42,133,624	6,066,213	1,300,958	581,469	119,741	50,202,005
Deposits from customers	-	-	61,092,886	62,199,422	102,545,609	11,552,487	1,205	237,391,609
Derivatives financial instrument and other financial liabilities	-	-	75,786	-	-	-	-	75,786
Valuable papers issued	-	-	-	13,799,973	3,149,981	21,677,613	9,282,314	47,909,881
Other liabilities	-	-	13,166,498	-	-	-	-	13,166,498
Total liabilities	-	-	116,468,794	82,065,608	106,996,548	33,811,569	9,403,260	348,745,779
Liquidity gap	625,577	1,225,201	(46,725,590)	(50,605,827)	27,987,676	69,524,318	35,609,458	37,640,813

(*) Excluding provisions for credit risk.

51. CREDIT RISK

The Bank is exposed to credit risk in its lending and investment activities, as well as when it acts as an intermediary on behalf of customers or other third parties, or when it provides guarantees.

The risk of counterparties' inability to repay debts is continuously monitored. To manage credit risk effectively, the bank prioritizes transactions with highly creditworthy counterparts. When appropriate, the bank may also require collateral.

The primary credit risk that the bank faces arising from its lending activities. This credit risk level is reflected in the book value of the assets on the financial position statement. Additionally, the bank encounters off-balance-sheet credit risk in the form of credit commitments and guarantees.

The concentration of credit risk (domestic or foreign) arises from the financial instruments existing within each counterpart group. These groups share economic similarities that could potentially lead to similar impacts on their repayment abilities when facing economic fluctuations or other conditions.

Credit risk management and control are executed through relevant policies and procedures. This includes credit risk management policies and the functions of the Risk Council, the Risk and Debt Treatment Council, and the Credit Council. The Bank classifies debt for customers and other counterparties based on Circular 11, which involves the regular assessment of doubtful debts, bad debts, and propose appropriate solution.

To manage credit risk, the bank employs tools such as creating policies and issuing regulations related to credit risk management, establishing credit processes, conducting credit risk reviews, building credit rating and debt classification systems, and delegating authority levels within credit operations.

Collateral assets

Collateral assets are independently valued by a separate unit from the business unit, based on market values at the valuation date. The valuation of collateral assets is periodically updated as per regulations. Primary collateral asset types encompass real estate, machinery and equipment, and valuable documents. Valuation guidelines for real estate are periodically reviewed and updated to comply with the regulations of the SBV.

Commitments

To meet the financial needs of customers, the bank issues various irrevocable commitments and contingent liabilities. These commitments and guarantees are also credit-rated and classified according to credit risk.

Financial assets that are overdue but not impaired

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 is zero.

Financial assets overdue but not impaired as at 31 December 2023 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	464,662	142,870	178,181	223,310

52. EXCHANGE RATES OF SOME FOREIGN CURRENCIES AT THE END OF THE YEAR

Currencies	As at 31/12/2023	As at 31/12/2022
USD	24,185	23,595
EUR	27,006	25,322
GBP	31,028	28,616
CHF	28,839	25,651
JPY	172	179
SGD	18,433	17,629
CAD	18,389	17,480
AUD	16,636	16,044
HKD	3,141	3,067

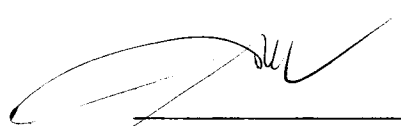
53. SUBSEQUENT EVENT

There have been no significant events occurring after the end of the financial year that have had a material impact or may have a material impact on the Bank's operations, financial position, and results of business during the year that requires adjustment or disclosures in the financial statements.

Prepared by

Chief Accountant

Approved by


Tran Hoai Thu
Head of Finance Department


Nguyen Thi Gam
Chief Accountant




Ho Nam Tien
Chief Executive Officer

22 March 2023
