

Vietnam Technological and Commercial Joint Stock Bank

Consolidated financial statements

For the year ended 31 December 2023



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Vietnam Technological and Commercial Joint Stock Bank

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Vietnam Technological and Commercial Joint Stock Bank

GENERAL INFORMATION

THE BANK

Vietnam Technological and Commercial Joint Stock Bank (“the Bank”) is a commercial joint stock bank registered and incorporated in the Socialist Republic of Vietnam.

The Bank was incorporated pursuant to Business License No. 0038/GP-NHNN issued by the Governor of the State Bank of Vietnam (“the SBV”) on 6 March 2018 to replace Business License No. 0040/NH-GP on 6 August 1993 and Business Registration Certificate No. 0100230800 issued by the Hanoi Department of Planning and Investment on 3 January 2024. The operating duration is 99 years since 6 August 1993.

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

BOARD OF DIRECTORS

Members of the Board of Directors of the Bank for the year ended 31 December 2023 and until the date of these consolidated financial statements are as follows:

Name	Position
Mr Ho Hung Anh	Chairman
Mr Nguyen Dang Quang	The first Vice Chairman
Mr Nguyen Thieu Quang	Vice Chairman
Mr Nguyen Canh Son	Vice Chairman
Mr Ho Anh Ngoc	Vice Chairman
Mr Lee Boon Huat	Member
Mr Saurabh Narayan Agarwal	Member
Mr Nguyen Nhan Nghia	Independent Member

BOARD OF SUPERVISION

Members of the Board of Supervision of the Bank for the year ended 31 December 2023 and until the date of these consolidated financial statements are as follows:

Name	Position
Mr Hoang Huy Trung	Head of Board of Supervision cum Member in charge
Ms Bui Thi Hong Mai	Member in charge
Mr Mag Rec Soc Oec Romauch Hannes	Member

Vietnam Technological and Commercial Joint Stock Bank

GENERAL INFORMATION (continued)

THE EXECUTIVE TEAM

Members of the Executive Team of the Bank for the year ended 31 December 2023 and until the date of these consolidated financial statements are as follows:

Name	Position
Mr Jens Lottner	Chief Executive Officer
Mr Phung Quang Hung	Standing Deputy Chief Executive Officer cum Chief Business Banking Officer
Mr Pham Quang Thang	Deputy Chief Executive Officer cum Chief Corporate Affairs Officer
Mr Phan Thanh Son	Deputy Chief Executive Officer cum Chief Global Transaction Service Officer
Mr Kalyanaraman Sivaramakrishnan	Deputy Chief Executive Officer cum Chief Risk Officer (until 30 November 2023)
Ms Nguyen Thu Lan	Acting Chief Risk Officer (from 1 December 2023)
Mr Alexandre Charles Emmanuel Macaire	Chief Finance Officer
Ms Phan Thi Thanh Binh	Chief Wholesale Banking Officer (until 31 December 2023)
Mr Darren Neale Buckley	Chief Retail Banking Group Officer (until 31 December 2023)
Mr Nguyen Anh Tuan	Acting Chief Retail Banking Group Officer (from 1 November 2023)
Ms Dang Nikki MyQuyen	Chief Human Resources Officer
Mr Nguyen Anh Tuan	Chief Information Officer
Mr Chu Hong Ngoc	Chief Operations Officer
Ms Thai Minh Diem Tu	Chief Marketing Officer
Mr Santhosh Mahendiran	Chief Data and Analytics Officer
Mr Pranav Seth	Chief Digital Officer
Mr Prasenjit Chakravarti	Chief of Strategy and Transformation Officer

LEGAL REPRESENTATIVE

The legal representative of the Bank for the year ended 31 December 2023 and until the date of these consolidated financial statements is Mr Ho Hung Anh, the Chairman.

Mr Jens Lottner is authorized to sign off reports and documents relating to operations management which comprise the accompanying consolidated financial statements for the year ended 31 December 2023 in accordance with Decision No. 0058/2020/UQ-CT-HDQT dated 6 February 2020.

AUDITORS

The auditor of the Bank is Ernst & Young Vietnam Limited – Hanoi Branch.

Vietnam Technological and Commercial Joint Stock Bank

REPORT OF THE EXECUTIVE TEAM

The Executive Team of Vietnam Technological and Commercial Joint Stock Bank (“the Bank”) is pleased to present its report and the consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2023.

THE EXECUTIVE TEAM’S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Executive Team of the Bank is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Bank and its subsidiaries and of the consolidated results of their operations and their consolidated cash flows for the year. In preparing those consolidated financial statements, the Executive Team of the Bank 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 standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiaries will continue its business.

The Executive Team of the Bank is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and ensuring that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Executive Team of the Bank confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY THE EXECUTIVE TEAM

The Executive Team does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2023, and of the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Financial Reporting Regime for Credit Institutions, regulations of the State Bank of Vietnam and statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the Executive Team:



Mr. Jens Lottner
Chief Executive Officer

Hanoi, Vietnam

22 March 2024



Ernst & Young Vietnam Limited
8th Floor, CornerStone Building
16 Phan Chu Trinh Street
Hoan Kiem District
Hanoi, S.R. of Vietnam

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Reference: 11740033/E-66984200-HN

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of
Vietnam Technological and Commercial Joint Stock Bank**

We have audited the accompanying consolidated financial statements of Vietnam Technological and Commercial Joint Stock Bank ("the Bank") and its subsidiaries, as prepared on 22 March 2024 and set out on pages 6 to 89 which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and the consolidated cash flow statement for the year then ended and the notes thereto.

The Executive Team's responsibility

The Bank's Executive Team is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Financial Reporting Regime for Credit Institutions, regulations of the State Bank of Vietnam and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as the Executive Team determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

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Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2023, and of the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Financial Reporting Regime for Credit Institutions, regulations of the State Bank of Vietnam and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited – Hanoi Branch



M.S.C.N.03.00911802-00-CIT.NA.H
CÔNG TY
TỔNG
ERNST & YOUNG
VIỆT NAM
CHỦ THÀNH
HÀ NỘI
Đ. HOÀN KIẾM TP. HÀ NỘI

Dang Phuong Ha
Deputy General Director
Audit Practising Registration
Certificate No. 2400-2023-004-1



Tran Thi Thu Hien
Auditor
Audit Practising Registration
Certificate No. 2487-2023-004-1

Hanoi, Vietnam

22 March 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

	<i>Notes</i>	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
ASSETS			
Cash and gold	5	3,620,695	4,215,721
Balances with the State Bank of Vietnam ("the SBV")	6	27,140,592	11,475,590
Balances with and credit granting to other credit institutions	7	104,072,320	82,873,754
Balances with other credit institutions	7.1	80,126,897	69,925,143
Credit granting to other credit institutions	7.2	24,046,523	13,049,711
Provision for credit granting to other credit institutions	7.4	(101,100)	(101,100)
Held-for-trading securities	8	4,432,778	961,034
Held-for-trading securities		4,432,778	961,034
Derivatives and other financial assets	20	143,611	-
Loans to customers		512,513,672	415,752,256
Loans to customers	9	518,641,568	420,523,705
Provision for loans to customers	10	(6,127,896)	(4,771,449)
Debts purchased	11	82,033	107,725
Debts purchased		84,335	110,221
Provision for debts purchased		(2,302)	(2,496)
Investment securities	12	104,993,945	103,651,920
Available-for-sale securities	12.1	105,356,248	104,031,921
Provision for investment securities	12.3	(362,303)	(380,001)
Long-term investments	13	3,046,245	12,813
Other long-term investments	13.1	3,047,394	13,962
Provision for long-term investments	13.2	(1,149)	(1,149)
Fixed assets	14	8,892,697	8,411,382
Tangible fixed assets	14.1	3,527,586	3,696,812
<i>Cost</i>		5,492,566	5,156,346
<i>Accumulated depreciation</i>		(1,964,980)	(1,459,534)
Intangible fixed assets	14.2	5,365,111	4,714,570
<i>Cost</i>		7,198,784	5,913,538
<i>Accumulated amortization</i>		(1,833,673)	(1,198,968)
Investment property	15	-	1,053,124
<i>Cost</i>		-	1,435,699
<i>Accumulated depreciation</i>		-	(382,575)
Other assets	16	80,543,424	70,517,225
Receivables		69,834,157	61,609,133
Accrued interest and fee receivables		9,681,140	8,028,730
Deferred income tax assets		70,409	61,050
Other assets		1,650,584	1,616,735
Provision for other on-balance sheet assets		(692,866)	(798,423)
TOTAL ASSETS		849,482,012	699,032,544

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2023

	<i>Notes</i>	<i>31 December 2023 VND million</i>	<i>31 December 2022 VND million</i>
LIABILITIES			
Due to the Government and the SBV	17	131	7,826
Deposits and borrowings from the Government and the SBV		131	7,826
Deposits and borrowings from other financial institutions and credit institutions	18	153,173,002	167,562,969
Deposits from other financial institutions and credit institutions	18.1	50,619,678	61,293,738
Borrowings from other financial institutions and credit institutions	18.2	102,553,324	106,269,231
Deposits from customers	19	454,660,779	358,403,785
Derivatives and other financial liabilities	20	-	1,851,213
Valuable papers issued	21	84,703,300	34,006,619
Other liabilities	22	25,328,735	23,775,166
Accrued interest and fee payables		9,418,750	6,144,022
Other liabilities		15,909,985	17,631,144
TOTAL LIABILITIES		717,865,947	585,607,578
SHAREHOLDERS' EQUITY			
Share capital		36,257,461	36,204,797
Charter capital		35,225,108	35,172,385
Share premium		476,356	476,415
Other capital		555,997	555,997
Reserves		45,028,627	11,608,569
Retained earnings		49,013,144	64,482,685
Non-controlling interests		1,316,833	1,128,915
TOTAL SHAREHOLDERS' EQUITY	24	131,616,065	113,424,966
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		849,482,012	699,032,544

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2023

CONSOLIDATED OFF-BALANCE SHEET ITEMS

	Notes	31 December 2023 VND million	31 December 2022 VND million
Guarantees for borrowings		14,935,065	13,253,457
Commitments for currency contracts		350,601,542	360,120,743
- Commitments to buy spot foreign currencies		4,593,012	2,450,745
- Commitments to sell spot foreign currencies		4,415,918	1,361,969
- Commitments to buy - foreign exchange swap contracts		171,163,643	178,699,591
- Commitments to sell - foreign exchange swap contracts		170,428,969	177,608,438
Letters of credit (L/C)		67,845,653	64,666,942
Other guarantees		57,648,065	44,870,251
Other commitments		478,047,860	449,697,675
- Commitments for cross-currency swap in foreign currencies		68,061,694	42,535,867
- Commitments for cross-currency swap in VND		67,392,288	42,343,196
- Commitments for interest rate swap in foreign currencies		10,734,257	25,100,370
- Commitments for interest rate swap in VND		13,541,644	15,173
- Valuable paper forward commitments		12,985,841	13,357,717
- Unused credit limit		305,332,136	326,345,352
Interest and receivable fees not collected yet	39	2,287,980	1,858,878
Written-off debts	40	52,224,706	46,946,553
Assets and other documents	41	198,926,346	172,003,576
		1,222,517,217	1,153,418,075

Prepared by:



Ms Hoang Thi Thu Hang
Accountant

Approved by:



Ms Nguyen Thi Tra My
Chief Accountant



Approved by:

Mr Jens Lottner
Chief Executive Officer

Hanoi, Vietnam

22 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2023

	Notes	2023 VND million	2022 VND million (Reclassified)
Interest and similar income	25	56,707,759	44,752,636
Interest and similar expenses	26	(29,016,639)	(14,462,861)
Net interest and similar income		27,691,120	30,289,775
Fees and commission income		11,378,085	10,840,337
Fees and commission expenses		(2,663,188)	(2,687,732)
Net fees and commission income	27	8,714,897	8,152,605
Net gain/(loss) from trading foreign currencies	28	195,750	(275,063)
Net gain/(loss) from held-for-trading securities	29	64,620	(241,845)
Net gain from investment securities	30	925,833	425,553
Other operating income		6,459,694	4,499,949
Other operating expenses		(4,025,578)	(2,332,574)
Net gain from other operating activities	31	2,434,116	2,167,375
Income from investments in other entities	32	34,756	8,791
Total operating income		40,061,092	40,527,191
Operating expenses	33	(13,251,796)	(13,023,129)
Profit before provision for credit losses		26,809,296	27,504,062
Provision expenses for credit losses	34	(3,921,068)	(1,936,294)
Profit before tax		22,888,228	25,567,768
Current corporate income tax expense	23.1	(4,706,721)	(5,174,932)
Deferred income tax income	23.3	9,359	43,590
Corporate income tax expense		(4,697,362)	(5,131,342)
Profit after tax		18,190,866	20,436,426
Non-controlling interests		(187,064)	(286,049)
Net profit contributed to the Bank's shareholders		18,003,802	20,150,377
Basic earnings per share (VND/share)	35	5,104	5,725
Diluted earnings per share (VND/share)	35	(*)	(*)

(*) As at 31 December 2023 and 31 December 2022, earnings per share of the Bank are not affected by dilutive factors.

Prepared by:



Ms Hoang Thi Thu Hang
Accountant

Approved by:



Ms Nguyen Thi Tra My
Chief Accountant

Approved by:



Mr Jens Lottner
Chief Executive Officer

Hanoi, Vietnam

22 March 2024

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2023

	2023 VND million	2022 VND million (Reclassified)
<i>Notes</i>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and similar income receipts	53,749,365	43,558,389
Interest and similar expenses payments	(25,941,911)	(12,185,090)
Net fees and commission receipts	9,134,752	8,076,844
Net receipts/(payments) from trading activities (foreign currencies and securities)	1,168,505	(420,995)
Other income receipts	1,384,616	605,946
Recovery of loans previously written-off	831,790	1,311,053
Payments for employees and other operating expenses	(10,339,365)	(9,631,184)
Current income taxation paid for the year	(5,048,936)	(2,301,394)
	24,938,816	29,013,569
Net cash flows from operating activities before changes in operating assets and liabilities		
Changes in operating assets		
(Increase)/decrease in balances with and credit granting to other credit institutions	(12,287,858)	18,490,986
(Increase)/decrease in trading securities	(19,582,416)	13,920,515
(Increase)/decrease in derivatives and other financial assets	(143,611)	293,768
Increase in loans to customers	(98,117,863)	(73,182,461)
Utilization of provision	(2,667,877)	(683,006)
Increase in other operating assets	(9,317,279)	(36,029,613)
Changes in operating liabilities		
(Decrease)/increase in deposits and borrowings from other financial institutions and credit institutions	(14,389,967)	55,104,278
Increase in deposits from customers	96,249,299	43,658,244
Increase in valuable papers issued (excluding valuable papers issued classified into financing activities)	50,696,681	1,026,795
(Decrease)/increase in derivatives and other financial liabilities	(1,851,213)	1,851,213
(Decrease)/increase in other liabilities	(1,468,412)	2,009,069
Use of reserves	(5,013)	(4,856)
	12,053,287	55,468,501
Net cash flows from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchases of fixed assets	(1,232,358)	(1,110,111)
Proceeds from disposals of fixed assets	22,156	44,111
Payments for disposals of fixed assets	(35)	(51)
Payments for sale of investment property	1,296,447	-
Payments for investments in other entities	(3,033,432)	-
Dividends received and profit shared from long- term investments	34,756	8,776
	(2,912,466)	(1,057,275)
Net cash flows used in investing activities		

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2023

	2023 VND million	2022 VND million (Reclassified)
<i>Notes</i>		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	52,664	63,178
Payments for settlement of long-term valuable papers eligible for recognition as owners' equity and other long-term loans	-	(700,000)
Proceeds from capital contribution of non-controlling shareholders	854	1,894
Dividends payment for Non-controlling interests	-	(74,648)
Net cash flows from/(used in) financing activities	53,518	(709,576)
Net cash flows for the year	9,194,339	53,701,650
Cash and cash equivalents at the beginning of the year	101,305,880	47,604,230
36		
Cash and cash equivalents at the end of the year	110,500,219	101,305,880
36		

Prepared by:



Ms Hoang Thi Thu Hang
Accountant

Approved by:



Ms Nguyen Thi Tra My
Chief Accountant



Approved by:

Mr Jens Lottner
Chief Executive Officer

Hanoi, Vietnam

22 March 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2023 and for the year then ended

1. GENERAL INFORMATION

Vietnam Technological and Commercial Joint Stock Bank (“the Bank”) is a commercial joint stock bank registered and incorporated in the Socialist Republic of Vietnam.

Establishment and operations

The Bank was incorporated pursuant to Business License No. 0038/GP-NHNN issued by the Governor of the State Bank of Vietnam (“the SBV”) on 6 March 2018 to replace Business License No. 0040/NH-GP on 6 August 1993 and Business Registration Certificate No. 0100230800 issued by the Hanoi Department of Planning and Investment on 3 January 2024. The operating duration is 99 years since 6 August 1993.

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

Charter capital

As at 31 December 2023, the charter capital of the Bank is VND 35,225,108,110,000 (31 December 2022: VND 35,172,385,140,000).

Network

As at 31 December 2023, the Bank has one (1) Head Office, two (2) representative offices, three hundred and one (301) branches and transaction offices nationwide and three (3) subsidiaries.

As at 31 December 2023, the Bank’s Head Office is located at 6 Quang Trung, Hoan Kiem District, Hanoi.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

1. GENERAL INFORMATION (continued)

Subsidiaries

As at 31 December 2023, the Bank has three (3) subsidiaries as follows:

<i>No.</i>	<i>Name</i>	<i>Business License No.</i>	<i>Industry</i>	<i>% Owned by the Bank</i>
1	Techcom Securities Joint Stock Company	125/GP-UBCK dated 30 May 2018 and amended by License No. 54/GPDC-UBCK dated 30 June 2023 granted by the State Securities Commission	Securities activities	94.16653%
2	Vietnam Technological and Commercial Joint Stock Bank - Asset Management Company Limited	0104003519 dated 18 June 2008 granted by Hanoi Department of Planning and Investment which was amended for the 27th time by 0102786255 on 30 October 2023	Debt and asset management	100%
3	Techcom Capital Management Joint Stock Company	57/GP-UBCK dated 30 January 2019 and amended by License No. 114/GPDC-UBCK dated 18 November 2022 granted by the State Securities Commission	Fund management; Investment portfolio management; Securities investment consulting	88.99956%

Employees

As at 31 December 2023, the Bank and its subsidiaries have 11,614 employees (31 December 2022: 12,339 employees).

2. ACCOUNTING PERIOD AND CURRENCY

2.1 *Accounting period*

The annual accounting period of the Bank starts on 1 January and ends on 31 December.

2.2 *Accounting currency*

Currency used in accounting of the Bank is Vietnam dong ("VND") and is rounded to the nearest VND million for presentation of consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM

3.1 *Statement of compliance*

The Executive Team of the Bank confirmed that it has complied with Vietnamese Accounting Standards, Financial Reporting Regime for Credit Institutions, regulations of the State Bank of Vietnam and statutory requirements relevant to the preparation and presentation of consolidated financial statements.

Accordingly, the accompanying consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated cash flow statement and notes to the consolidated financial statements, including their utilization are not designed for those who are not informed about Vietnamese accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position of the Bank and its subsidiaries, the consolidated results of their operations and their consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

3.2 *Basis of preparation*

The consolidated financial statements of the Bank are prepared in accordance with Financial Reporting Regime applicable to Credit Institutions required under Decision No. 479/2004/QD-NHNN issued on 29 April 2004, Decision No. 16/2007/QD-NHNN dated 18 April 2007, Circular No. 10/2014/TT-NHNN dated 20 March 2014 and Circular No. 22/2017/TT-NHNN dated 29 December 2017 amending and supplementing Decision No. 479/2004/QD-NHNN, Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QD-NHNN and the chart of accounts for credit institutions issued in connection with Decision No. 479/2004/QD-NHNN by the State Bank of Vietnam, Vietnamese Accounting Standards issued by the Ministry of Finance and Circular No. 27/2021/TT-NHNN dated 31 December 2021 amending and supplementing a number of articles of Accounting System for Credit Institutions issued in connection with Decision No. 479/2004/QD-NHNN dated 29 April 2004 and Financial Reporting Regime applicable to Credit Institution issued in connection with Decision No. 16/2007/QD-NHNN dated 18 April 2007 by Governor of the State Bank of Vietnam as per:

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

3.3 *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended 31 December 2023. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date that such control ceases. In case the Bank divests its equity interest in a subsidiary resulting in loss of control over the subsidiary, the Bank only consolidates the financial result of the subsidiary from the beginning of the year up to the date of the divestment without consolidating the net assets of the subsidiary. Furthermore, the Bank makes adjustments of indirect impact of the divestment transactions on the consolidated cash flow statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM (continued)

3.3 *Basis of consolidation* (continued)

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

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

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

3.4 *Basis of assumptions and uses of estimates*

The preparation of the consolidated financial statements requires the Executive Team to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provisions. Therefore, such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may differ resulting in future changes in such relating items.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 *Changes in accounting policies and disclosures*

The accounting policies adopted by the Bank in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank's consolidated financial statements for the year ended 31 December 2022, excepted for:

Circular No. 18/2022/TT-NHNN prescribing debts trading of credit institutions, foreign bank branches.

On 26 December 2022, the State Bank of Vietnam promulgated Circular No. 18/2022/TT-NHNN ("Circular 18") amending and supplementing a number of articles to Circular No. 09/2015/TT-NHNN ("Circular 09") prescribing debts trading of credit institutions and foreign bank branches. Changes in Circular 18 related to the accounting policies are as followings:

- ▶ Supplementing definition of "Book value of a traded debt on statement of financial position";
- ▶ Supplementing regulations on settlement terms of debts purchased balance to the supplier;
- ▶ Supplementing regulations on collaterals against the unsettled balance to the supplier according to the debt trading contract;
- ▶ Amending regulations relating to debt monitoring, debt classification, provisioning and provision utilization to write off the unsold part of a debt in case of selling part of a debt to a counterparty or selling a debt to multiple parties;
- ▶ Supplementing detailed regulations for settlement of financial issues, accounting treatments against debts traded.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Circular 18 takes effect from 9 February 2023 with transition conditions: Debt trading contracts which have been concluded before the effective date of Circular 18, debt purchasers, debt sellers and all related parties are allowed to continue the concluded contracts under the prevailing regulations of Circular 09. In case counterparties have negotiation to amendments terms of the debts trading contract, these amendments must be in compliance with the provisions of Circular 18.

Circular No. 02/2023/TT-NHNN was issued by the SBV on 23 April 2023 to provide instructions for credit institutions and foreign branch banks on loan restructuring and retention of loan classification to support borrowers facing financial difficulties in business activities and consumption needs ("Circular 02").

The main changes of Circular 02 are as below:

- ▶ Scope and conditions of loans eligible for term restructuring;
- ▶ Principles of classification retention and loan classification, guidelines on accounting for accrued interest and provisioning for loans whose principal and/or interest balances are rescheduled.

The Circular 02 takes effect from 24 April 2023.

4.2 *Cash and cash equivalents*

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

4.3 *Balances with and credit granting to other financial institutions and credit institutions*

Balances with and credit granting to other financial institutions and credit institutions are presented at the principal amounts outstanding at the end of the financial year.

The credit risk classification of balances with and credit granting to other financial institutions and credit institutions and provision for credit risks thereof are provided in accordance with Circular No. 11/2021/TT-NHNN dated 30 July 2021 issued by the SBV ("Circular 11"). Accordingly, the Bank makes a provision for credit losses on balances (except for current accounts) with credit institutions, foreign bank branches and credit granting to other financial institutions and credit institutions according to the method as described in Note 4.6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Held-for-trading securities

4.4.1 Classification and recognition

Held-for-trading securities include debt securities acquired and held for resale. Held-for-trading securities are initially recognized at cost.

Trading securities shall be recorded when the investors acquire ownership, in particular:

- ▶ Listed securities are recorded at the time of order matching (T+0);
- ▶ Unlisted securities are recorded at the time in which the ownership is acquired as prescribed in regulations of law.

4.4.2 Measurement

Listed debt held-for-trading securities are recognized at cost less risk provision and provision for diminution in value of securities.

Provision for diminution in value of securities is made in accordance with Circular 48/2019/TT-NHNN dated 8 August 2019 ("Circular 48") and Circular 24/2022/TT-BTC dated 7 April 2022 ("Circular 24") as described in Note 4.7.3.

Provision for credit losses on corporate bonds (including bonds issued by other credit institutions) which have not been listed on the stock market or have not yet been registered for trading on the Upcom trading system is made in accordance with Circular 11 as described in Note 4.6.

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

Gains or losses from the sales of held-for-trading securities are recognized in the consolidated statement of profit or loss.

4.4.3 De-recognition

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

4.5 Loans to customers

Loans to customers are presented at the principal amounts outstanding as at the end of the financial year less any provision made for loans to customers.

Short-term loans have maturity of less than or equal to one year from disbursement date. Medium-term loans have maturity from over one year to five years from disbursement date. Long-term loans have maturity of more than five years from disbursement date.

The classification of credit risk for loans to customers and corresponding provision are made under Circular 11 as described in Note 4.6.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches*

The Bank applied quantitative method as regulated under Article 10 of Circular 11 on classification the following assets: balances with and credit granting to other credit institutions, other foreign bank branches; purchase and trusted purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on stock exchanges or have not yet been registered for trading on the Upcom trading system; loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches (here refer as “debts”).

In accordance with Circular 11, general provision as at 31 December is made at 0.75% of total outstanding debt balances as at 31 December excluding loans classified into loss group debts, balances with credit institutions, foreign bank branches and balances with overseas credit institutions; loans; buying forwards valuable papers among other credit institutions, foreign bank branches in Vietnam; balances of buying promissory notes, bills, certificates of deposit, bonds issued by other credit institutions and foreign bank branches; balances of buying, selling Government bonds.

Specific provision as at 31 December is made based on the outstanding principal balance less discounted value of collaterals multiplied by provision rates which are determined based on the debt classification as at 31 December. The basis to determine the value and discounted value for each type of collaterals is specified in Circular 11.

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

Group	Description	Provision rate
1	Current	0%
	(a) Current debts that are assessed as fully and timely recoverable for both principals and interests; or (b) Debts which are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	
2	Special mention	5%
	(a) Debts which are overdue for a period of between 10 days and 90 days; or (b) Debts which the repayment terms are restructured for the first time.	
3	Sub-standard	20%
	(a) Debts which are overdue for a period of between 91 days and 180 days; or (b) Debts which the repayment terms are extended for the first time; or (c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under agreements; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: <ul style="list-style-type: none"> ▪ Debts violating Clauses 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or ▪ Debts violating Clauses 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or ▪ Debts violating Clauses 1, 2, 5 under Article 128 of Law on Credit Institutions. 	
	(e) Debts required to be recovered under inspection conclusions; or (f) Debts that need to be recovered under premature debt recovery decisions of the Bank due to borrowers' breach of agreements with the Bank but are not yet recovered in less than 30 days since the effective dates of recovery decisions; or (g) When the SBV requires under regulatory inspection conclusions and related credit information.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches (continued)*

Group	Description	Provision rate
4	Doubtful	50%
	(a) Debts which are overdue for a period of between 181 days and 360 days; or	
	(b) Debts which the repayment terms are restructured for the first time but still overdue for a period of up to 90 days under that restructured repayment term; or	
	(c) Debts which the repayment terms are restructured for the second time; or	
	(d) Debts which are specified in point (d) of Group 3 overdue for a period of from 30 days to 60 days since the effective dates of recovery decisions; or	
	(e) Debts required to be recovered under inspection conclusions but still outstanding with an overdue period up to 60 days from the recovery date as required by regulatory inspection conclusions; or	
	(f) Debts that need to be recovered under premature debt recovery decisions of the Bank due to borrowers' breach of agreements with the Bank, but are not yet recovered from 30 days to 60 days since the effective dates of recovery decisions; or	
	(g) When the SBV requires under regulatory inspection conclusions and related credit information.	
5	Loss	100%
	(a) Debts which are overdue for a period of more than 360 days; or	
	(b) Debts which the repayment terms are restructured for the first time but still overdue from 91 days or more under that first restructured repayment term; or	
	(c) Debts which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or	
	(d) Debts which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or	
	(e) Debts which are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days since the effective dates of recovery decisions; or	
	(f) Debts required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or	
	(g) Debts that need to be recovered under premature debt recovery decisions of the Bank due to borrowers' breach of agreements with the Bank, but are not yet recovered in more than 60 days since the effective dates of recovery decisions; or	
	(h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches of which capital and assets are blocked; or	
	(i) When the SBV requires under regulatory inspection conclusions and related credit information.	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches* (continued)

Debts/loans may be classified into groups with lower level of risk in the following cases:

- ▶ For overdue debts, the Bank shall reclassify them into groups with lower level of risk (including group 1) when they fully meet the following conditions:
 - Borrowers have fully paid the overdue principal and interest (including interest on overdue principal), and those in the next repayment terms within at least three (3) months with respect to medium-term and long-term debts; one (1) month with respect to short-term debts, from the date of full payment of overdue principal and interest;
 - Proof of the borrower's debt repayment is available;
 - The Bank possess sufficient information and documents to evaluate borrowers' ability to fully pay the remaining principal and interest by the predetermined due dates.
- ▶ For debts with rescheduled repayment terms, the Bank shall reclassify them into groups with lower level of risk (including group 1) when they fully meet the following conditions:
 - Borrowers have fully paid the principal and interest varying according to the rescheduled repayment term in at least three (3) months with respect to medium-term and long-term debts; one (1) month with respect to short-term debts, from the start date of full repayment of such principal and interest;
 - Proof of the borrower's debt repayment is available;
 - The Bank possess sufficient information and documents to evaluate borrowers' ability to fully pay the remaining principal and interest by the rescheduled due dates.

Debts/loans may be classified into groups with higher level of risk in the following cases:

- ▶ The indicators such as profitability, solvency, debt-to-capital ratio, cash flow, debt repayment ability of borrowers decrease progressively after three (3) continual debt assessment and classification sessions;
- ▶ Borrowers fail to provide sufficient, timely and truthful information at the request of the Bank to assess borrowers' debt repayment ability;
- ▶ Debts/loans are classified into group 2, group 3, group 4 for one (1) year or more, but are not eligible for being reclassified into groups with lower level of risk;
- ▶ Loans are granted by the act of credit extension subject to administrative penalties prescribed by law.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches (continued)*

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

When participating in a syndicated loan as a participant, the Bank classifies loans (including syndicated loans) of the customer into the higher risk group between the assessment of the leading bank and its own assessment.

If a customer is classified by the Bank into the risk group which is lower than the risk group provided by the National Credit Information Center of Vietnam ("CIC"), the Bank is required to adjust the risk group of such customer following the risk group provided by CIC.

From 13 March 2020 to 30 June 2022, the Bank applied the policy of loan restructuring, interest and/or fees exemption or reduction and loan classification retention for loans that meet conditions according to Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01"), Circular No. 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03") and Circular No. 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") issued by the State Bank of Vietnam providing regulations on loan restructuring, interest and/or fees exemption or reduction and loan classification retention to assist customers affected by the COVID-19 pandemic.

From 24 April 2023, the Bank applied the policy of loan restructuring and loan classification retention to support customers who face difficulties in production and business activities, as well as facing difficulties in repaying loans to meet their daily life and consumption needs. This policy aligns with the conditions set forth in Circular 02 issued by the State Bank of Vietnam, which provides instructions to credit institutions and foreign branch banks on loan restructuring and the retention of loan classification to assist borrowers facing financial difficulties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches (continued)*

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

<i>Disbursement date</i>	<i>Repayment schedule</i>	<i>Overdue status</i>	<i>Overdue during</i>	<i>Principle of loan classification retention</i>
Before 23 January 2020	From 23 January 2020 to 30 June 2022	Current or overdue for a period of 10 days	From 30 March 2020 to 30 June 2022	Retain the debt groups that have been classified according to the Bank's policy at the most recent date before 23 January 2020.
From 23 January 2020 to before 1 August 2021			From 17 May 2021 to before 17 July 2021 or 7 September 2021 to 30 June 2022	Retain the debt groups that have been classified according to the Bank's policy at the most recent date before the date of first rescheduling.
Before 23 January 2020		Overdue	From 23 January 2020 to 29 March 2020	Retain the debt groups that have been classified according to the Bank's policy at the most recent date before 23 January 2020.
From 23 January 2020 to before 10 June 2020			From 23 January 2020 to before 17 May 2021	Retain the latest loan classification as before the date the outstanding debts are categorized as overdue debts.
From 10 June 2020 to before 1 August 2021			From 17 July 2021 to before 7 September 2021	
Before 24 April 2023	From 24 April 2023 to 30 June 2024	Current or overdue for a period of 10 days	From 24 April 2023 to 30 June 2024	Retain the latest loan classification as before the restructuring date.

If the outstanding debts after rescheduling and retaining debt categories are overdue and not granted another debt rescheduling in accordance with regulations, the Bank shall classify the debt groups and make provision for credit risk under Circular 11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Debt classification and provisioning rate, risk provisioning for balances with and credit granting to other credit institutions; investments and trusted investments in unlisted corporate bonds (including unlisted bonds issued by other credit institutions); loans to customers; entrustments for credit granting; buying, selling loans in accordance with regulations; buying, selling Government bonds on stock market; buying promissory notes, bills, certificates of deposit issued by other credit institutions and foreign bank branches* (continued)

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

The Bank makes specific provision for customers with debts that have been restructured on term basis and are subject to loan classification retention according to the following formula:
 $C = A - B$, in which:

C: Additional specific provision;

A: Specific provision to be made for all outstanding loan balance of customers according to the results of loan classification under Circular 11;

B: Total specific provision to be made for the outstanding balance of loans applying loan classification under the policy of loan classification retention and specific provision to be made for remaining loan balances of the customers according to the results of loan classification under Circular 11.

Additional specific provision (called as C) is made by the Bank when preparing financial statements, ensuring the provisioning at as follows:

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

The Bank makes general provision for customers with debts that have been restructured on term basis and subject to loan classification retention according to Circular 02 by loan classification results that not applied loan classification retention.

Debt classification and provisioning policies for receivables from margin activities and advances to investors of Techcom Securities Joint Stock Company ("TCBS") - a subsidiary of the Bank

Provisions for receivables from margin activities and advances to investors of Techcom Securities Joint Stock Company are presented in Note 4.14 in accordance with Circular 48, in order to take into account the specific nature of these receivables and to ensure alignment with reports of TCBS. Increase or decrease in balances of provision is recognized in the "Provision expenses for credit losses" item in the consolidated statement of profit or loss.

4.7 *Investment securities*

4.7.1 *Classification*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 *Investment securities* (continued)

4.7.1 *Classification* (continued)

Held-to-maturity investment securities

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

Available-for-sale investment securities

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

4.7.2 *Recognition*

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

4.7.3 *Measurement*

Equity securities

Listed available-for-sale equity securities are recorded at cost less provision for diminution in value of securities determined.

As for listed securities, the actual market price of securities is the price on a nearest closing day having transactions to the end of the financial year. If the listed securities are not traded in 30 days before making provisions, provisions are made for each securities investment in accordance with regulations prescribed in Note 4.9.

As for listed securities of unregistered public companies and state-owned enterprises equitized through public offering (Upcom), the actual market price is the average price within the last 30 transaction days before the end of the financial year announced by the Stock exchange. If the listed securities of a joint-stock company in Upcom are not traded in 30 days before the end of the financial year, provisions are made for each securities investment in accordance with regulations prescribed in Note 4.9.

For other equity securities, provision for diminution is determined as prescribed in Note 4.9.

Debt securities

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 *Investment securities* (continued)

4.7.3 *Measurement* (continued)

Debt securities (continued)

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

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

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

The Bank is required to make provision for credit risk for corporate bonds (including bonds issued by credit institutions) which have not yet been listed on stock exchanges or have not yet been registered for trading on the Upcom trading system under Circular 11 as described in Note 4.6.

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

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

4.7.4 *De-recognition*

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

4.8 *Repurchase and reverse repurchase agreements*

Securities sold under agreements to repurchase at a specific date in the future are not derecognized from the consolidated financial statements. The corresponding cash received is recognized as a borrowing in the consolidated statement of financial position. The difference between the sale price and repurchase price is recognized in the consolidated statement of profit or loss based on the interest rate stipulated in the contract.

Conversely, securities purchased under agreements to resell at a specific date in the future are not recognized in the consolidated financial statements. The corresponding cash payment is recognized as an investment in the consolidated statement of financial position and the difference between the purchase price and resale price is recognized in the consolidated statement of profit or loss based on the interest rate stipulated in the contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Long-term investments

4.9.1 Other long-term investments

Other long-term investments represent investments in other entities in which the Bank holds less than or equal to 11% of voting rights. These investments are initially recorded at cost at the investment date and recognized subsequently at cost less provision for diminution in the value of other long-term investments (if any).

4.9.2 Provision for impairment of other long-term investments

For listed securities or unlisted but registered for trading securities on unlisted public company market (Upcom), provision for diminution in value is made when the actual market price is the average price within the last 30 transaction days before the end of the financial year announced by the Stock Exchange is lower than the carrying value of the securities at the end of the financial year as regulated in Circular 48.

In other cases, provision for diminution in the value of other long-term investment is made when the investee suffers loss, except that such loss had been forecasted in the investee's business plan before the investment. Provision for impairment is determined as the total actual contributed capital of parties to the investee company less (-) the actual owner's equity multiplied (x) by the Bank's ownership percentage in the investee company as regulated in Circular 48. Provision is reversed when the recoverable amount of the investments increases after the provision is made. A provision is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no provision had been recognized.

4.10 Tangible fixed assets

4.10.1 Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated statement of profit or loss for the year in which the costs are incurred. Where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalized as an additional cost of tangible fixed assets.

4.10.2 Depreciation

Depreciation of fixed assets is computed on a straight-line basis over the estimated useful lives of tangible fixed assets which are as follows:

▶ buildings and structures	8 - 50 years
▶ machines and equipment	3 - 10 years
▶ vehicles	6 - 10 years
▶ other fixed assets	3 - 10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Intangible fixed assets

4.11.1 Computer software

The cost of acquiring new software, which is not an integral part of the related hardware, is capitalized and treated as an intangible asset. Software costs are amortized on a straight-line basis for the period from 4 to 8 years.

4.11.2 Land use rights

Definite land use rights

Definite land use rights are stated at cost less accumulated amortization. The initial cost of a land use right comprises its purchase price in conjunction with securing the land use right and expenses for compensation for site clearance, ground leveling and registration fees. Amortization is computed on a straight-line basis over the time using land.

Indefinite land use rights

Indefinite land use rights are stated at cost and are not amortized. The initial cost of land use rights comprises its purchase price in conjunction with securing the land right and expenses for compensation for site clearance, ground leveling and registration fees.

4.11.3 Other intangible fixed assets

Other intangible fixed assets are stated at cost less accumulated amortization. Amortization is computed on a straight-line basis for the period from 4 to 8 years.

4.12 Investment property

4.12.1 Cost

Investment property is stated at cost less accumulated depreciation. The initial cost of an investment property comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating. Expenditure incurred after investment property has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of profit or loss for the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property, the expenditure is capitalized as an additional cost of investment property.

4.12.2 Depreciation

Depreciation of investment property is computed on a straight-line basis over the estimated useful life of investment property which is as follows:

- ▶ building 40 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Operating lease payments

Payments made under operating leases are recognized in the consolidated statement of profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in the consolidated statement of profit or loss as an integral part of the total lease expense.

4.14 Other receivables

Accounts receivable other than receivables from credit activities of the Bank are initially recognized at cost and subsequently presented at cost less provision.

Receivables are subject to review for impairment based on the number of overdue months from the original maturity date of receivables or expected loss of current debts in case the debts are not due for payment yet but the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or of individual debtors who are missing, escaped, prosecuted, on trial or deceased. Provision expense incurred is recorded in "Other operating expenses" item of the consolidated statement of profit or loss in the year.

For overdue receivables, the Bank uses provision rates in accordance with Circular 48 as below:

<u>Overdue status</u>	<u>Provision rate</u>
From six (6) months up to under one (1) year	30%
From one (1) year up to under two (2) years	50%
From two (2) years up to under three (3) years	70%
From three (3) years and above	100%

4.15 Business combination and goodwill

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

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the net fair value of the assets and liabilities of the subsidiary acquired, the difference is recognized directly in the consolidated statement of profit or loss. After initial recognition, goodwill is measured at cost less any accumulated amortization. Goodwill is amortized on a straight-line basis over five (5) years.

4.16 Other provisions

A provision other than provisions described in Notes 4.3, 4.4, 4.5, 4.7, 4.9 and 4.14 is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the specific risk exposure to the liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Other payables

Other payables are stated at cost.

4.18. Share capital

4.18.1 Charter capital

Charter capital of the Bank is recorded when the rights and obligations of the shareholders and the Bank relating to charter capital are established. Charter capital is recognized at par value. Incremental costs directly attributable to the issuance of ordinary shares are recognized as a deduction from share premium.

4.18.2 Share premium

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

4.18.3 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, issue or cancellation of the Bank's own equity instruments.

4.18.4 Reserves and funds

Reserves and funds of the Bank

The Bank is required to make the following reserves before distribution of profits in accordance with Law on Credit Institutions No. 47/2010/QH12 and Decree No. 93/2017/ND-CP and Charter of the Bank:

	<i>Percentage of profit after tax</i>	<i>Maximum balance</i>
Charter capital supplementary reserve	5% of profit after tax	100% charter capital
Financial reserve	10% of profit after tax	Not regulated

Financial reserve is used to cover financial losses incurred during the normal course of business. Financial reserve and charter capital supplementary reserve are non-distributable and classified as equity.

Other funds are appropriated from profit after tax. The allocation from profit after tax and utilization of the other equity funds are approved by the shareholders in the Annual General Meeting of Shareholders. These funds are not required by law and are fully distributable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18. *Share capital* (continued)

4.18.4 *Reserves and funds* (continued)

Reserves and funds of subsidiaries

Vietnam Technological and Commercial Joint Stock Bank - Asset Management Company Limited:

According to Circular No. 27/2002/TT-BTC dated 22 March 2002 issued by the Ministry of Finance, the appropriation to reserves is made in a similar way to the Bank.

Techcom Securities Joint Stock Company and Techcom Capital Management Joint Stock Company:

Other funds are made according to the Resolution of the General Meeting of Shareholders at the annual meeting of the General Meeting of Shareholders.

4.19 *Revenue and expenses recognition*

4.19.1 *Interest income*

Interest income is recognized in the consolidated statement of profit or loss on the accrual basis with the debts classified in current loan group which is not required to make specific provision. Interest income of remaining debts (including restructured debts retained in current group under Circular 01, Circular 03, Circular 14 and Circular 02) is recognized in the consolidated statement of profit or loss upon receipt.

4.19.2 *Fees and commission income*

Fees and commission income are recognized in the consolidated statement of profit or loss on the accrual basis.

4.19.3 *Dividend income*

Dividend receivables in cash are recognized in the consolidated statement of profit or loss when the Bank's right to receive dividends is established.

In accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance, dividends received in the form of shares, bonus shares and rights to purchase shares of the existing shareholders, shares distributed from retained earnings are not recognized as an increase in the value of the investment and income is not recognized in the consolidated statement of profit or loss. Instead, only changes in number of shares held by the Bank are updated and monitored.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Revenue and expenses recognition (continued)

4.19.4 Income and expenses from the sale and purchase of debts

Income and expenses from the sale and purchase of debts are recognized in accordance with Circular 18 providing guidance on the sale and purchase of debts of credit institutions and foreign bank branches.

According to Circular 18, the difference between the prices of debts purchased or sold and their book value is recorded as follows:

- ▶ For debts recorded in the consolidated statement of financial position:
 - If the sale price is higher than the book value of the debt, the difference shall be recorded as income of the Bank in the year.
 - If the sale price is lower than the book value of the debt, the difference shall be used to offset against the indemnity paid by an individual or guarantor (in case such individual or guarantor is determined to be responsible for the damage and obliged to make indemnity under prevailing regulations), or the compensation paid by the insurer, or use of outstanding provision recognized as expense previously. The remaining balance (if any) shall be recognized as other expense of the Bank in the year.
- ▶ For debts written-off and monitored off-balance sheet, the proceeds from sale of debts shall be recognized as other income of the Bank.

Book value of debts purchased or sold is the book value of the principal, interest and related financial obligations (if any) of debts recorded in on-balance sheet or off-balance sheet at the date of debts purchased or sold; or the book value at the date of writing-off of debts; or the book value of debts written-off previously at the date of debts purchased or sold.

The purchasing or selling price is the sum of consideration to be paid by a debt buyer to a debt seller under a debt purchase or sale contract.

Debts purchased are initially classified in the risk group which is not lower than the risk group of the debts before the purchase. Subsequently, debts purchased are monitored, classified and provided for credit losses similar to loans to customers in accordance with Circular 11.

If the proceeds from selling a loan (except for written off debts) have not yet been fully collected, the Bank classifies that amount as an unsold loan in accordance with Circular 11.

4.19.5 Interest expenses

Interest expenses are recognized in the consolidated statement of profit or loss on the accrual basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 *Foreign currency transactions*

The Bank maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the end of financial year. Non-monetary items arising in foreign currencies during the year are converted into VND at rates ruling on the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities into VND in the year are recognized and followed in the “*Exchange rate revaluation*” item under “*Shareholders’ equity*” in the consolidated statement of financial position and will be transferred to the consolidated statement of profit or loss at year-end.

4.21 *Taxation*

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the consolidated statement of profit or loss.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the end of the financial year, and any adjustment to tax payable in respect of previous year.

Deferred income tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the end of the financial year.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred income tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Bank’s tax returns are subject to be examined by the tax authorities. Because the application of laws and regulations on taxation for different types of transactions can be interpreted in many different ways, the amounts presented on the consolidated financial statements may be subject to be changed according to final decision of the tax authorities.

4.22 *Fiduciary assets*

Assets held in a fiduciary capacity are not reported in the consolidated financial statements as they are not assets of the Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23 *Commitments and contingent liabilities*

At any time, the Bank has outstanding commitments to extend credit. These commitments take the form of approved loans or overdraft facilities. The Bank also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Many of the commitments and contingent liabilities will expire without being advanced in whole or in part. Therefore, the amounts do not represent firm commitments of future cash flows.

Off-balance sheet commitments include guarantees, payment acceptances and other commitments with specific implementing time.

The classification of off-balance sheet commitments is made only for the purpose of managing and monitoring the credit quality under the policy applied to debt classification as described in Note 4.6.

In accordance with Circular 11, no provision is required for off-balance sheet commitments.

4.24 *Derivative financial instruments*

4.24.1 *Foreign exchange contracts*

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

The currency forward contracts are commitments to buy, sell an amount of a currency for another currency at the exchange rate at the transaction time where the payment is made within three (3) working days after the transaction date. The currency forward contracts are recognized at nominal value at the transaction date and are revalued for the reporting purpose at the exchange rate at the end of the financial year. Gains or losses realized or unrealized are amortized on a straight-line basis to the consolidated statement of profit or loss over the term of the contract.

The currency swap contracts are commitments, which include one commitment to buy and one commitment to sell an amount of a currency for another currency at the exchange rate at the transaction time and the payments of two commitments on different days. The discount or premium arising from difference between spot exchange rate at the effective date of the contract and the forward rate is recognized at the effective date of the contract as an asset if positive or a liability if negative in the consolidated statement of financial position. This difference will be amortized on a straight-line basis to the consolidated statement of profit or loss over the term of the contract.

4.24.2 *Interest rate swap contracts*

Commitment value in interest rate swap contracts is not recognized in the consolidated statement of financial position. Differences in interest rate swaps are recognized in the consolidated statement of profit or loss on the accrual basis.

4.24.3 *Commodity futures contracts*

The Bank provides brokerage services for clients enter into the commodity future contracts, and accordingly the value of those contracts is not recognized in the consolidated statement of financial position. Income arising from the brokerage transactions is recognized in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.25 Valuable papers issued

Valuable papers issued are stated at cost and accumulated amortized premiums or discounts. Cost of valuable papers issued includes the proceeds from the issuance less directly attributable costs.

4.26 Offsetting

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

4.27 Employee benefits

4.27.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the Vietnam Social Security which belongs to the Ministry of Labor, Invalids and Social Affairs. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of employees' basic salary plus other allowances. The Bank has no further obligation.

4.27.2 Severance allowance

The Bank has the obligation, under Article 46 of the Vietnam Labor Code No. 45/2019/QH14 effective from 1 January 2021, to pay allowance arising from voluntary resignation of employees, equal to a half of monthly salary for each year of employment up to 31 December 2008 plus salary allowances (if any). The average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. Accordingly, the working time at the Bank to calculate the severance payment is the total actual working time at the Bank minus the time employees participating in the unemployment insurance in accordance with the law on unemployment insurance and the working time for which severance allowances have been paid by the employer.

4.27.3 Unemployment allowance

According to Article 57 of Law of Employment No. 38/2013/QH13 effective from 1 January 2015 and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government on guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.28 Financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the consolidated financial position, consolidated results of operations and the nature and extent of risk arising from financial instruments in compliance with Circular No. 210/2009/TT-BTC dated 6 November 2009 of the Ministry of Finance, the Bank classifies its financial instruments as follows:

4.28.1 Financial assets

Financial assets recognized at fair value through statement of profit or loss

A financial asset at fair value through statement of profit or loss is a financial asset that meets either of the following conditions:

- ▶ It is considered by management as held-for-trading. A financial asset is considered as held-for-trading if:
 - it is acquired principally for the purpose of selling it in the near term; or
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- ▶ Upon initial recognition, it is designated by the Bank as at fair value through statement of profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity that the Bank has the positive intention and ability to hold to maturity, other than:

- ▶ financial assets that, upon initial recognition, were categorized as such recognized at fair value through statement of profit or loss; or
- ▶ financial assets already categorized as available-for-sale; or
- ▶ financial assets that meet the definitions of loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- ▶ that the Bank intends to sell immediately or in the near term, which are classified as held-for-trading, and those that the entity on initial recognition designates as at fair value through profit or loss; or
- ▶ that the Bank, upon initial recognition, designates as available-for-sale; or
- ▶ for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale investments

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

- ▶ financial assets at fair value through statement of profit or loss; or
- ▶ held-to-maturity investments; or
- ▶ loans and receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.28 *Financial instruments* (continued)

4.28.2 *Financial liabilities*

Financial liabilities at fair value through statement of profit or loss

A financial liability at fair value through statement of profit or loss is a financial liability that meets either of the following conditions:

- ▶ It is considered by management as held-for-trading. A financial liability is considered as held-for-trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term; or
 - there is evidence of a recent pattern of short-term profit-taking; or
 - a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- ▶ Upon initial recognition, it is designated by the Bank as at fair value through statement of profit or loss.

Financial liabilities carried at amortized cost

Financial liabilities which are not classified as financial liabilities at fair value through statement of profit or loss are classified as financial liabilities carried at amortized cost.

The above described classification of financial instruments is solely for presentation and disclosure purpose and is not intended to be a description of how the instruments are measured. Accounting policies for measurement of financial instruments are disclosed in other relevant notes.

4.29 *Items which have no balance*

Items or balances required by Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV stipulating the financial reporting regime for credit institutions, and documents amending, supplementing, are not shown in these consolidated financial statements indicate nil balance.

4.30 *Segment reports*

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

According to Circular No. 49/2014/TT-NHNN, any credit institutions having public securities and currently outstanding securities in the securities market are required to prepare and present segment reports in the consolidated financial statements. The primary segment reports of the Bank are prepared based on the business segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

5. CASH AND GOLD

	<u>31 December 2023</u> VND million	<u>31 December 2022</u> VND million
Cash on hand in VND	3,259,270	3,705,655
Cash on hand in foreign currencies	361,425	510,066
	<u>3,620,695</u>	<u>4,215,721</u>

6. BALANCES WITH THE STATE BANK OF VIETNAM

	<u>31 December 2023</u> VND million	<u>31 December 2022</u> VND million
In VND	26,945,990	11,349,296
In foreign currencies	194,602	126,294
	<u>27,140,592</u>	<u>11,475,590</u>

Balances with the SBV include current accounts and compulsory deposits.

Under the SBV's regulations on compulsory reserve, banks are permitted to maintain a floating balance for the compulsory reserve requirement ("CRR"). The monthly average balance of the reserve must not be less than the preceding month's average balances of deposits in scope multiplied by the CRR rates as follows:

	<u>CRR rates</u>	
	<u>31 December 2023</u>	<u>31 December 2022</u>
Deposits in foreign currencies with term of less than 12 months	8.00%	8.00%
Deposits in foreign currencies with term of 12 months and above	6.00%	6.00%
Deposits in VND with term of less than 12 months	3.00%	3.00%
Deposits in VND with term of 12 months and above	1.00%	1.00%

Interest rates per annum at the end of the financial year are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Deposits in VND		
Compulsory deposits	0.50%	0.50%
Amount over compulsory deposits	0.00%	0.00%
Deposits in foreign currencies		
Compulsory deposits	0.00%	0.00%
Amount over compulsory deposits	0.00%	0.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

7. BALANCES WITH AND CREDIT GRANTING TO OTHER CREDIT INSTITUTIONS

7.1 Balances with other credit institutions

	<u>31 December 2023</u> VND million	<u>31 December 2022</u> VND million
Current accounts	13,948,561	11,770,473
In VND	6,235,820	486,136
In foreign currencies	7,712,741	11,284,337
Term deposits	66,178,336	58,154,670
In VND	41,253,046	42,981,000
In foreign currencies	24,925,290	15,173,670
	80,126,897	69,925,143

Interest rates per annum of balances with other credit institutions at the end of the financial year are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Current accounts		
In VND	0.00%	0.00%
In foreign currencies	0.00%	0.00%
Term deposits		
In VND	1.20% - 4.50%	3.50% - 9.50%
In foreign currencies	5.00% - 5.55%	4.20% - 4.30%

7.2 Credit granting to other credit institutions

	<u>31 December 2023</u> VND million	<u>31 December 2022</u> VND million
In VND	24,046,523	13,036,790
In foreign currencies	-	12,921
	24,046,523	13,049,711

Interest rates per annum of credit granting to other credit institutions at the end of the financial year are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
In VND	0.30% - 9.03%	0.00% - 12.00%
In foreign currencies	-	4.64%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

7. BALANCES WITH AND CREDIT GRANTING TO OTHER CREDIT INSTITUTIONS
(continued)

7.3 Credit quality for balances with and credit granting to other credit institutions

Analysis of credit quality for balances (excluding current accounts) with and credit granting to other credit institutions at the end of the financial year is as follows:

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Current	90,123,759	99.89	71,103,281	99.86
Loss	101,100	0.11	101,100	0.14
	90,224,859	100.00	71,204,381	100.00

7.4 Provision for credit granting to other credit institutions

	31 December 2023	31 December 2022
	VND million	VND million
Specific provision	101,100	101,100
	101,100	101,100

Movements in provision for credit granting to other credit institutions are as follows:

	2023	2022
	VND million	VND million
Opening balance	101,100	-
Provision made for the year (Note 34)	-	101,100
Closing balance	101,100	101,100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

8. HELD-FOR-TRADING SECURITIES

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Debt securities		
Government bonds	301,416	961,034
Bonds issued by other local credit institutions	4,131,362	-
	4,432,778	961,034

Analysis of credit quality for held-for-trading securities classified as credit risk bearing assets at the end of the financial year is as follows:

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Current	4,131,362	-

Movements in provision for held-for-trading securities are as follows:

	<i>2023</i> <i>VND million</i>	<i>2022</i> <i>VND million</i>
Opening balance	-	3,667
Provision reversed for the year (Note 29)	-	(3,667)
Closing balance	-	-

The listing status of held-for-trading securities is as follows:

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Debt securities		
Listed	301,416	961,034
Unlisted	4,131,362	-
	4,432,778	961,034

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

9. LOANS TO CUSTOMERS

	<u>31 December 2023</u> VND million	<u>31 December 2022</u> VND million
Loans to local economic entities and individuals	492,615,545	403,202,460
Discounted bills and valuable papers	9,302,275	7,930,134
Loans financed by entrusted funds	364	8,042
Payments on behalf of customers	98,422	19,625
Loans to foreign economic entities and individuals	5,795	8,840
Receivables from margin activities and advances to investors	16,619,167	9,354,604
	<u>518,641,568</u>	<u>420,523,705</u>

Interest rates per annum of loans to customers at the end of the financial year are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
In VND	0.00% - 14.40%	0.00% - 15.70%
In foreign currencies	4.00% - 8.50%	1.50% - 8.61%

9.1 Loan portfolio by quality

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	VND million	%	VND million	%
Current	491,584,304	97.93	399,403,381	97.14
Special mention	4,438,954	0.88	8,733,115	2.12
Substandard	1,856,801	0.37	901,592	0.22
Doubtful	2,762,221	0.55	1,131,087	0.28
Loss	1,380,121	0.27	999,926	0.24
	<u>502,022,401</u>	<u>100.00</u>	<u>411,169,101</u>	<u>100.00</u>
Receivables from margin activities and advances to investors	16,619,167		9,354,604	
	<u>518,641,568</u>		<u>420,523,705</u>	

9.2 Loan portfolio by term

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	VND million	%	VND million	%
Short term	170,483,782	33.96	132,857,217	32.31
Medium term	118,208,799	23.55	79,300,508	19.29
Long term	213,329,820	42.49	199,011,376	48.40
	<u>502,022,401</u>	<u>100.00</u>	<u>411,169,101</u>	<u>100.00</u>
Receivables from margin activities and advances to investors	16,619,167		9,354,604	
	<u>518,641,568</u>		<u>420,523,705</u>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

9. LOANS TO CUSTOMERS (continued)

9.3 Loan portfolio by industrial sectors

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Loans to economic entities	297,161,062	59.19	193,716,757	47.11
Agriculture, forestry and aquaculture	2,908,684	0.58	2,095,342	0.51
Mining	1,751,323	0.35	1,451,843	0.35
Manufacturing and processing	42,054,340	8.38	28,006,736	6.81
Production and distribution of electricity, gas, hot water, steam and air-conditioning	3,794,489	0.75	3,951,228	0.96
Water supply; waste and wastewater management and processing	31,580	0.01	28,872	0.01
Construction	11,876,937	2.37	12,093,130	2.94
Wholesale and retail trade; repair of motor vehicles, motorcycles	44,842,420	8.93	34,129,848	8.30
Transportation and warehousing	7,867,107	1.57	1,516,639	0.37
Hospitality services	1,293,097	0.26	245,674	0.06
Information and communications	784,185	0.16	362,959	0.09
Banking, finance and insurance	966,379	0.19	45,852	0.01
Real estates	176,803,981	35.21	108,805,146	26.46
Science and technology	507,564	0.10	259,405	0.06
Administrative activities and supporting services	538,943	0.11	448,661	0.11
Education and training	129,156	0.03	104,111	0.03
Health care and social work	9,012	0.00	48,332	0.01
Art and entertainment	834,835	0.16	8,984	0.00
Other services	167,030	0.03	113,995	0.03
Loans to individuals	204,861,339	40.81	217,452,344	52.89
	502,022,401	100.00	411,169,101	100.00
Receivables from margin activities and advances to investors	16,619,167		9,354,604	
	518,641,568		420,523,705	

9.4 Loan portfolio by ownership

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Loans to economic entities	297,161,062	59.19	193,716,757	47.11
State-owned limited liability companies	2,036,992	0.41	4,522,732	1.10
Other limited liability companies	117,437,112	23.39	102,451,642	24.92
Joint-stock state-owned companies	17,689	0.00	44,232	0.01
Other joint-stock companies	173,102,665	34.48	85,272,750	20.74
Private companies and partnership companies	163,094	0.03	158,070	0.04
Foreign-invested companies	4,387,486	0.88	1,208,940	0.29
Cooperatives and cooperative unions	15,602	0.00	13,423	0.00
Administration units, Party, unions, associations and others	422	0.00	44,968	0.01
Loans to individuals	204,861,339	40.81	217,452,344	52.89
	502,022,401	100.00	411,169,101	100.00
Receivables from margin activities and advances to investors	16,619,167		9,354,604	
	518,641,568		420,523,705	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

10. PROVISION FOR LOANS TO CUSTOMERS

Provision for loans to customers is as follows:

	31 December 2023 VND million	31 December 2022 VND million
General provision	3,755,848	3,076,269
Specific provision	2,367,273	1,509,049
Provision for receivables from margin activities and advances to investors	4,775	186,131
	6,127,896	4,771,449

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

	General provision VND million	Specific provision VND million	Provision for receivables from margin activities and advances to investors VND million	Total VND million
Opening balance	3,076,269	1,509,049	186,131	4,771,449
Provision made/(reversed) for the year (*) (Note 34)	679,579	3,529,151	(181,356)	4,027,374
Use of provision in the year	-	(2,667,877)	-	(2,667,877)
Offset the difference between debt selling price and book value	-	(3,050)	-	(3,050)
Closing balance	3,755,848	2,367,273	4,775	6,127,896

(*) For the year ended 31 December 2023, the Bank made 100% additional required specific provision for customers whose debts are rescheduled or granted interest exemption or reduction in accordance with Circular 03, Circular 02 as described in Note 4.6.

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

	General provision VND million	Specific provision VND million	Provision for receivables from margin activities and advances to investors VND million	Total VND million
Opening balance	2,480,511	1,136,266	118,886	3,735,663
Provision made for the year (Note 34)	595,758	1,055,789	67,245	1,718,792
Use of provision in the year	-	(683,006)	-	(683,006)
Closing balance	3,076,269	1,509,049	186,131	4,771,449

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

11. DEBTS PURCHASED

	<u>31 December 2023</u> VND million	<u>31 December 2022</u> VND million
Debts purchased in VND	84,335	110,221
Provision for debts purchased	(2,302)	(2,496)
	<u>82,033</u>	<u>107,725</u>

Breakdown of debts purchased is as follows:

	<u>31 December 2023</u> VND million	<u>31 December 2022</u> VND million
Principals of debts purchased	82,653	108,539
Interest of debts purchased	1,682	1,682
	<u>84,335</u>	<u>110,221</u>

Analysis of credit quality for debts purchased as at the end of the financial year is as follows:

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	VND million	%	VND million	%
Current	82,653	98.01	108,539	98.47
Loss	1,682	1.99	1,682	1.53
	<u>84,335</u>	<u>100.00</u>	<u>110,221</u>	<u>100.00</u>

Movements in provision for debts purchased during the year are as follows:

	<u>2023</u> VND million	<u>2022</u> VND million
Opening balance	2,496	2,690
Provision reversed for the year (Note 34)	(194)	(194)
Closing balance	<u>2,302</u>	<u>2,496</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

12. INVESTMENT SECURITIES

Investment securities as at the end of the financial year included:

	31 December 2023 VND million	31 December 2022 VND million
Available-for-sale securities	105,356,248	104,031,921
Debt securities	104,222,477	102,946,394
Equity securities	1,133,771	1,085,527
Provision for investment securities	(362,303)	(380,001)
Provision for available-for-sale securities	(362,303)	(380,001)
	104,993,945	103,651,920

12.1 Available-for-sale securities

	31 December 2023 VND million	31 December 2022 VND million
Debt securities	104,222,477	102,946,394
Government bonds, municipal bonds	24,410,608	37,868,964
Bonds issued by other local credit institutions	37,303,015	24,062,608
<i>In which:</i>		
<i>Bonds guaranteed by the Government for settlement</i>	4,414,025	3,881,081
Bonds issued by local economic entities	42,508,854	41,014,822
Equity securities	1,133,771	1,085,527
Equity securities issued by local credit institutions	498,245	-
Equity securities issued by local economic entities	630,015	1,080,016
Fund certificates	5,511	5,511
Total available-for-sale securities	105,356,248	104,031,921
Provision for available-for-sale securities	(362,303)	(380,001)
General provision for unlisted corporate bonds	(301,059)	(291,944)
Specific provision for unlisted corporate bonds	(16,040)	(44,344)
Provision for diminution in value of available-for-sale securities	(45,204)	(43,713)
	104,993,945	103,651,920

12.2 Analysis of quality of investment securities which are classified as credit risk bearing assets

Analysis of credit quality of investment securities which were classified as credit risk bearing assets as at the end of the financial year is as follows:

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Current	72,949,922	99.89	56,772,648	97.18
Special mention	-	-	1,650,000	2.82
Substandard	80,199	0.11	-	-
	73,030,121	100.00	58,422,648	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

12. INVESTMENT SECURITIES (continued)

12.3 Provision for investment securities

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Provision for credit risk of unlisted corporate bonds	317,099	336,288
Provision for diminution in value of investment securities	45,204	43,713
	362,303	380,001

Movements in provision for investment securities for the year ended 31 December 2023 are as follows:

	<i>General provision</i> <i>VND million</i>	<i>Specific provision</i> <i>VND million</i>	<i>Provision for diminution</i> <i>VND million</i>	<i>Total</i> <i>VND million</i>
Opening balance	291,944	44,344	43,713	380,001
Provision made/(reversed) for the year (<i>Note 30</i>)	9,115	(28,304)	1,491	(17,698)
Closing balance	301,059	16,040	45,204	362,303

Movements in provision for investment securities for the year ended 31 December 2022 are as follows:

	<i>General provision</i> <i>VND million</i>	<i>Specific provision</i> <i>VND million</i>	<i>Provision for diminution</i> <i>VND million</i>	<i>Total</i> <i>VND million</i>
Opening balance	456,507	227,892	21,575	705,974
Provision (reversed)/made for the year (<i>Note 30</i>)	(164,563)	(183,548)	22,138	(325,973)
Closing balance	291,944	44,344	43,713	380,001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

13. LONG-TERM INVESTMENTS

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Other long-term investments – cost	3,047,394	13,962
Provision for long-term investments	(1,149)	(1,149)
	<u>3,046,245</u>	<u>12,813</u>

13.1 *Other long-term investments*

	<i>31 December 2023</i>		<i>31 December 2022</i>	
	<i>Ownership</i> <i>%</i>	<i>At cost</i> <i>VND million</i>	<i>Ownership</i> <i>%</i>	<i>At cost</i> <i>VND million</i>
Banking Skills Training and Consultancy JSC	10.93	1,040	10.93	1,040
National Payment Corporation of Vietnam	0.42	1,000	0.42	1,000
Vietnam Credit Information JSC	6.64	7,962	6.64	7,962
Society for Worldwide Interbank Financial Telecommunication	0.00	3,300	0.00	3,300
Vietnam Real Estate Exchange JSC	11.00	660	11.00	660
Dream City Villas Hung Yen Limited Company	9.32	2,026,827	-	-
Newco Development and Investment Joint Stock Company	9.32	1,006,605	-	-
		<u>3,047,394</u>		<u>13,962</u>

13.2 *Provision for long-term investments*

	<i>2023</i> <i>VND million</i>	<i>2022</i> <i>VND million</i>
Opening balance	1,149	1,149
Closing balance	<u>1,149</u>	<u>1,149</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

14. FIXED ASSETS

14.1 Tangible fixed assets

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

	VND million				
	<i>Buildings and structures</i>	<i>Machines and equipment</i>	<i>Vehicles</i>	<i>Others</i>	<i>Total</i>
Cost					
As at 1 January 2023	1,948,327	2,916,009	278,131	13,879	5,156,346
Additions	15,573	190,509	24,496	-	230,578
Transfers from advances for fixed assets purchases and construction in progress	-	132,249	43,791	-	176,040
Disposals	-	(52,429)	(14,826)	-	(67,255)
Other movements	(1,012)	(2,131)	-	-	(3,143)
As at 31 December 2023	1,962,888	3,184,207	331,592	13,879	5,492,566
Accumulated depreciation					
As at 1 January 2023	155,152	1,202,076	100,561	1,745	1,459,534
Charges for the year	41,224	495,117	33,008	1,369	570,718
Disposals	-	(51,215)	(13,394)	-	(64,609)
Other movements	(569)	(94)	-	-	(663)
As at 31 December 2023	195,807	1,645,884	120,175	3,114	1,964,980
Net book value					
As at 1 January 2023	1,793,175	1,713,933	177,570	12,134	3,696,812
As at 31 December 2023	1,767,081	1,538,323	211,417	10,765	3,527,586

Movements in tangible fixed assets for the year ended 31 December 2022 are as follows:

	VND million				
	<i>Buildings and structures</i>	<i>Machines and equipment</i>	<i>Vehicles</i>	<i>Others</i>	<i>Total</i>
Cost					
As at 1 January 2022	1,915,434	2,597,138	310,089	1,431	4,824,092
Additions	13	475,992	18,198	4,118	498,321
Transfers from advances for fixed assets purchases and construction in progress	32,880	86,776	-	9,058	128,714
Disposals	-	(240,818)	(50,156)	(728)	(291,702)
Other movements	-	(3,079)	-	-	(3,079)
As at 31 December 2022	1,948,327	2,916,009	278,131	13,879	5,156,346
Accumulated depreciation					
As at 1 January 2022	113,148	958,560	122,657	995	1,195,360
Charges for the year	42,004	383,721	27,932	1,478	455,135
Disposals	-	(140,205)	(50,028)	(728)	(190,961)
As at 31 December 2022	155,152	1,202,076	100,561	1,745	1,459,534
Net book value					
As at 1 January 2022	1,802,286	1,638,578	187,432	436	3,628,732
As at 31 December 2022	1,793,175	1,713,933	177,570	12,134	3,696,812

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

14. FIXED ASSETS (continued)

14.1 Tangible fixed assets (continued)

Additional information on tangible fixed assets:

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Cost of tangible fixed assets which have been fully depreciated but still in active use	<u>371,525</u>	<u>306,246</u>

14.2 Intangible fixed assets

Movements in intangible fixed assets for the year ended 31 December 2023 are as follows:

	<i>VND million</i>			
	<i>Land use rights</i>	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
Cost				
As at 1 January 2023	2,635,698	3,265,918	11,922	5,913,538
Additions	608	1,001,172	-	1,001,780
Transfers from advances for fixed assets purchases and construction in progress	1,692	279,105	-	280,797
Disposals	-	(80)	-	(80)
Other movements	1,012	1,737	-	2,749
As at 31 December 2023	<u>2,639,010</u>	<u>4,547,852</u>	<u>11,922</u>	<u>7,198,784</u>
Accumulated amortization				
As at 1 January 2023	240	1,195,369	3,359	1,198,968
Charges for the year	57,614	577,773	982	636,369
Disposals	-	(80)	-	(80)
Other movements	-	(1,584)	-	(1,584)
As at 31 December 2023	<u>57,854</u>	<u>1,771,478</u>	<u>4,341</u>	<u>1,833,673</u>
Net book value				
As at 1 January 2023	<u>2,635,458</u>	<u>2,070,549</u>	<u>8,563</u>	<u>4,714,570</u>
As at 31 December 2023	<u>2,581,156</u>	<u>2,776,374</u>	<u>7,581</u>	<u>5,365,111</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

14. FIXED ASSETS (continued)

14.2 Intangible fixed assets (continued)

Movements in intangible fixed assets for the year ended 31 December 2022 are as follows:

	<i>VND million</i>			
	<i>Land use rights</i>	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
Cost				
As at 1 January 2022	2,622,527	1,906,692	11,922	4,541,141
Additions	1,626	610,164	-	611,790
Transfers from advances for fixed assets purchases and construction in progress	11,545	764,278	-	775,823
Disposals	-	(12,529)	-	(12,529)
Other movements	-	(2,687)	-	(2,687)
As at 31 December 2022	<u>2,635,698</u>	<u>3,265,918</u>	<u>11,922</u>	<u>5,913,538</u>
Accumulated amortization				
As at 1 January 2022	232	942,856	2,304	945,392
Charges for the year	8	265,169	1,055	266,232
Disposals	-	(12,245)	-	(12,245)
Other movements	-	(411)	-	(411)
As at 31 December 2022	<u>240</u>	<u>1,195,369</u>	<u>3,359</u>	<u>1,198,968</u>
Net book value				
As at 1 January 2022	<u>2,622,295</u>	<u>963,836</u>	<u>9,618</u>	<u>3,595,749</u>
As at 31 December 2022	<u>2,635,458</u>	<u>2,070,549</u>	<u>8,563</u>	<u>4,714,570</u>

Additional information on intangible fixed assets:

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>VND million</i>	<i>VND million</i>
Cost of intangible fixed assets which have been fully amortized but still in active use	<u>466,994</u>	<u>346,759</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

15. INVESTMENT PROPERTY

Movements in investment properties for the year ended 31 December 2023 are as follows:

	<i>Building VND million</i>
Cost	
As at 1 January 2023	1,435,699
Disposals	<u>(1,435,699)</u>
As at 31 December 2023	<u>-</u>
Accumulated depreciation	
As at 1 January 2023	382,575
Charges for the year	8,853
Disposals	<u>(391,428)</u>
As at 31 December 2023	<u>-</u>
Net book value	
As at 1 January 2023	<u>1,053,124</u>
As at 31 December 2023	<u><u>-</u></u>

Movements in investment properties for the year ended 31 December 2022 are as follows:

	<i>Building VND million</i>
Cost	
As at 1 January 2022	<u>1,435,699</u>
As at 31 December 2022	<u>1,435,699</u>
Accumulated depreciation	
As at 1 January 2022	346,775
Charges for the year	<u>35,800</u>
As at 31 December 2022	<u>382,575</u>
Net book value	
As at 1 January 2022	<u>1,088,924</u>
As at 31 December 2022	<u><u>1,053,124</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

16. OTHER ASSETS

	31 December 2023 VND million	31 December 2022 VND million
Receivables	69,834,157	61,609,133
Internal receivables	37,939	115,626
External receivables	69,796,218	61,493,507
- Deposits for office rental	1,567,818	1,396,662
- Deposits for purchase of office	9,760,567	9,703,207
- Receivables related to Interest Subsidy Program	74,832	29,366
- Advances for contracts	453,733	921,272
- Deposits for gold, commodity and foreign currencies trading in future markets	265,098	52,251
- Advances for State Agency	244,928	-
- Advances for fixed assets purchase	1,576,912	520,020
- Construction in progress	3,970,310	2,449,111
- Receivables from UPAS L/C (Usance Payable At Sight Letter of Credit)	47,930,453	42,342,081
- Receivables from loans sold contract (i)	280,311	330,311
- Receivables from securities activities	2,313,348	3,449,677
- Receivables from sale of investment property	735,668	-
- Tax receivable (Note 23)	-	3,612
- Other external receivables	622,240	295,937
Accrued interest and fee receivables	9,681,140	8,028,730
Deferred income tax assets (Note 23.3)	70,409	61,050
Other assets	1,650,584	1,616,735
Materials	15,826	17,489
Prepaid expenses	1,634,683	1,598,624
Other assets	75	622
Provision for other on-balance sheet assets (ii)	(692,866)	(798,423)
	80,543,424	70,517,225

(i) Analysis of credit quality for balance of receivable from loans sold contract as at the end of the financial year is as follows:

	31 December 2023 VND million	31 December 2022 VND million
Loss	280,311	330,311

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended**16. OTHER ASSETS (continued)**

- (ii) Provision for other on-balance sheet assets, comprising of provision for overdue receivables, receivables from UPAS L/C (Usance Payable At Sight Letter of Credit) and receivable from loans sold contract, is as follows:

	31 December 2023 VND million	31 December 2022 VND million
Provision for receivable from loans sold contract	280,311	330,311
- <i>Specific provision</i>	280,311	330,311
Provision for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit)	359,479	415,591
- <i>General provision</i>	359,479	316,231
- <i>Specific provision</i>	-	99,360
Provision for other assets	53,076	52,521
	692,866	798,423

Movements in provision for other on-balance sheet assets during the year are as follows:

	2023 VND million	2022 VND million
Opening balance	798,423	680,423
Provision reversed for receivable from loans sold contract for the year (Note 34)	(50,000)	(119,628)
- <i>Specific provision</i>	(50,000)	(119,628)
Provision (reversed)/made for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit) for the year (Note 34)	(56,112)	236,224
- <i>General provision</i>	43,248	136,864
- <i>Specific provision</i>	(99,360)	99,360
Provision made for other on-balance sheet assets for the year (Note 33)	555	1,404
Closing balance	692,866	798,423

17. DUE TO THE GOVERNMENT AND THE SBV

	31 December 2023 VND million	31 December 2022 VND million
Deposits from the Vietnam State Treasury		
In VND	131	7,826
	131	7,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

18. DEPOSITS AND BORROWINGS FROM OTHER FINANCIAL INSTITUTIONS AND CREDIT INSTITUTIONS

18.1 Deposits from other financial institutions and credit institutions

	<u>31 December 2023</u> VND million	<u>31 December 2022</u> VND million
Demand deposits	686,258	776,778
In VND	682,273	771,246
In foreign currencies	3,985	5,532
Term deposits	49,933,420	60,516,960
In VND	41,536,000	39,340,000
In foreign currencies	8,397,420	21,176,960
	<u>50,619,678</u>	<u>61,293,738</u>

Interest rates per annum of deposits from other financial institutions and credit institutions at the end of the financial year are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
Term deposits		
In VND	0.70% - 3.60%	3.50% - 10.50%
In foreign currencies	5.00% - 5.50%	4.15% - 4.50%

18.2 Borrowings from other financial institutions and credit institutions

	<u>31 December 2023</u> VND million	<u>31 December 2022</u> VND million
In VND	40,924,274	21,603,024
In foreign currencies	61,629,050	84,666,207
	<u>102,553,324</u>	<u>106,269,231</u>

Interest rates per annum of borrowings from other financial institutions and credit institutions at the end of the financial year are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
In VND	3.29% - 10.40%	3.57% - 12.90%
In foreign currencies	4.68% - 8.20%	0.75% - 12.25%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

19. DEPOSITS FROM CUSTOMERS

19.1 Analysis by category of deposits

	31 December 2023	31 December 2022
	VND million	VND million
Current accounts	172,755,713	123,079,324
In VND	162,749,028	113,445,822
In foreign currencies	10,006,685	9,633,502
Term deposits	273,186,988	225,941,947
In VND	269,337,400	222,345,948
In foreign currencies	3,849,588	3,595,999
Margin deposits	8,718,078	9,382,514
In VND	8,626,078	9,308,312
In foreign currencies	92,000	74,202
	454,660,779	358,403,785

Interest rates per annum of deposits from customers at the end of the financial year are as follows:

	31 December 2023	31 December 2022
Demand deposits		
In VND	0.00% - 0.50%	0.00% - 1.20%
In foreign currencies	0.00% - 0.01%	0.00% - 0.10%
Term deposits		
In VND	3.10% - 9.50%	1.00% - 9.60%
In foreign currencies	0.00% - 0.10%	0.00% - 0.60%

19.2 Analysis of deposits portfolio by ownership

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Deposits from organizations	149,975,445	32.99	114,409,809	31.92
State-owned limited liability companies	9,583,900	2.11	15,402,482	4.30
Other limited liability companies	53,663,203	11.80	44,480,777	12.42
Joint-stock state-owned companies	2,060,256	0.45	84,681	0.02
Other joint-stock companies	72,961,181	16.05	47,740,094	13.32
Private enterprises and partnership companies	56,459	0.01	144,372	0.04
Foreign-invested enterprises	9,277,941	2.04	4,414,566	1.23
Cooperatives and cooperative unions	25,563	0.01	14,906	0.00
Administration units, Party, unions and associations	2,140,205	0.47	1,984,725	0.55
Others	206,737	0.05	143,206	0.04
Deposits from individuals	304,685,334	67.01	243,993,976	68.08
	454,660,779	100.00	358,403,785	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

20. DERIVATIVES AND OTHER FINANCIAL ASSETS/(LIABILITIES)

	<i>VND million</i>			
	<i>31 December 2023</i>		<i>31 December 2022</i>	
	<i>Total contract nominal value</i>	<i>Total net carrying value of assets/(liabilities)</i>	<i>Total contract nominal value</i>	<i>Total net carrying value of assets/(liabilities)</i>
Foreign exchange forward contracts	134,803,391	532,503	104,596,820	(485,237)
Foreign exchange swap contracts	170,410,899	209,344	179,859,303	(1,169,554)
Cross-currency swap contracts	66,784,788	(598,236)	41,164,196	(196,422)
	371,999,078	143,611	325,620,319	(1,851,213)

Total contract nominal value is translated at the contractual exchange rates.

Total net carrying value is translated at the foreign exchange rates as at the end of financial year.

21. VALUABLE PAPERS ISSUED

Valuable papers issued categorized by terms are as follows:

	<i>31 December 2023 VND million</i>	<i>31 December 2022 VND million</i>
Up to 12 months	10,900,007	-
Certificates of deposit	10,900,007	-
From 12 months to 5 years	73,803,293	34,006,619
Certificates of deposit	41,595,841	19,249,806
Bonds	32,207,452	14,756,813
	84,703,300	34,006,619

Interest rates per annum of these bonds and certificates of deposits at the end of the financial year are as follows:

	<i>31 December 2023</i>	<i>31 December 2022</i>
Up to 12 months	6.50% - 8.64%	-
From 12 months to 5 years	2.00% - 14.60%	3.50% - 14.51%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

22. OTHER LIABILITIES

	31 December 2023 VND million	31 December 2022 VND million
Accrued interest and fee payables	9,418,750	6,144,022
Other liabilities	15,909,985	17,631,144
Internal payables	6,259	8,335
External payables	15,903,726	17,622,809
- <i>Remittance payables</i>	1,755,383	1,370,174
- <i>Payables to employees</i>	2,573,368	2,366,253
- <i>Taxes payable (Note 23)</i>	4,278,169	4,255,802
- <i>Deferred income</i>	473,843	544,330
- <i>Bonus and welfare funds</i>	24,394	24,529
- <i>Deferred proceeds from sale of collaterals</i>	43,845	11,380
- <i>Accrued operating expenses</i>	1,324,334	1,352,075
- <i>Settlement on behalf of other credit institutions</i>	386,570	1,703,887
- <i>Other borrowings</i>	4,414,622	5,272,870
- <i>Other payables</i>	629,198	721,509
	25,328,735	23,775,166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

23. OBLIGATIONS TO THE STATE BUDGET

	<i>VND million</i>					
	<i>Opening balance</i>		<i>Incurred during the year</i>		<i>Closing balance</i>	
	<i>Receivables</i>	<i>Payables</i>	<i>Payables</i>	<i>Paid</i>	<i>Receivables</i>	<i>Payables</i>
Value added tax	-	36,440	1,075,359	(713,201)	-	398,598
Corporate income tax	(3,612)	4,067,184	4,707,025	(5,048,936)	-	3,721,661
Other taxes	-	152,178	2,170,541	(2,164,809)	-	157,910
Taxes payable	(3,612)	4,255,802	7,952,925	(7,926,946)	-	4,278,169

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

23. OBLIGATIONS TO THE STATE BUDGET (continued)

23.1 Current corporate income tax

Current corporate income tax payables are determined based on taxable income of the current year. Taxable income may be different from the amount reported in the consolidated statement of profit or loss since taxable income excludes income which is eligible for tax or expenses which are subtracted in prior years due to the differences between the Bank's accounting policies and the current tax policies, and also excludes tax-exempted income and non-deductible expenses. The current corporate income tax payable of the Bank is calculated based on the statutory tax rates applicable at the end of the financial year.

The tax returns filed by the Bank are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change upon final determination by the tax authorities.

Current corporate income tax for the year ended 31 December 2023 and 31 December 2022 is computed as follows:

	2023 VND million	2022 VND million
Profit before tax	22,888,228	25,567,768
<i>Adjustments:</i>		
- Non-taxable dividend income	(34,756)	(8,776)
- Adjustment to decrease taxable income	(1,509,272)	(1,379,228)
- Adjustment to profit for consolidation purpose	(83,674)	69,810
- Non-deductible expenses	2,050,338	1,684,498
Taxable corporate income	23,310,864	25,934,072
- Corporate income tax expense calculated on taxable income of current year	4,662,173	5,186,814
- Adjustment for under/(over) provision of corporate income tax expense in prior year	44,548	(11,882)
Current corporate income tax expense for the year	4,706,721	5,174,932
Opening corporate income tax payable	4,063,572	1,190,015
- Corporate income tax paid for the year	(5,048,936)	(2,301,394)
- Adjustment for corporate income tax payables in prior year	304	19
Closing corporate income tax payable	3,721,661	4,063,572

23.2 Applicable tax rate

The Bank's income tax rate for this year is 20% (2022: 20%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

23. OBLIGATIONS TO THE STATE BUDGET (continued)

23.3 Deferred income tax assets

Movements in deferred income tax assets for the end of the financial year are as follows:

	2023 <i>VND million</i>	2022 <i>VND million</i>
Deferred income tax assets		
Opening balance	61,050	17,460
Deferred income tax income arising from deductible temporary tax differences	9,359	43,590
Closing balance (Note 16)	70,409	61,050

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

24. CAPITAL AND RESERVES

24.1 Statement of changes in equity

For the year ended 31 December 2023:

	VND million									
	<i>Charter capital</i>	<i>Share premium</i>	<i>Charter capital supplementary reserve</i>	<i>Financial reserve</i>	<i>Other reserves</i>	<i>Total reserves</i>	<i>Retained earnings</i>	<i>Non-controlling interests</i>	<i>Other capital</i>	<i>Total</i>
Opening balance	35,172,385	476,415	3,444,639	8,163,456	474	11,608,569	64,482,685	1,128,915	555,997	113,424,966
Capital increase for the year	52,723	(59)	-	-	-	-	-	854	-	53,518
Net profit for the year	-	-	-	-	-	-	18,003,802	187,064	-	18,190,866
Appropriation to reserves for the year	-	-	31,864,059	1,561,025	-	33,425,084	(33,425,084)	-	-	-
Appropriation to welfare fund for the year	-	-	-	-	-	-	(48,000)	-	-	(48,000)
Use of reserves for the year	-	-	-	(5,013)	-	(5,013)	-	-	-	(5,013)
Other movements	-	-	(16)	3	-	(13)	(259)	-	-	(272)
Closing balance	35,225,108	476,356	35,308,682	9,719,471	474	45,028,627	49,013,144	1,316,833	555,997	131,616,065

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

24. CAPITAL AND RESERVES (continued)

24.1 Statement of changes in equity (continued)

For the year ended 31 December 2022:

	VND million									
	Charter capital	Share premium	Charter capital supplementary reserve	Financial reserve	Other reserves	Total reserves	Retained earnings	Non-controlling interests	Other capital	Total
As at 1 January 2022	35,109,148	476,474	2,664,436	6,490,986	474	9,155,896	47,453,056	846,898	-	93,041,472
Capital increase for the year	63,237	(59)	-	-	-	-	-	1,894	-	65,072
Net profit for the year	-	-	-	-	-	-	20,150,377	286,049	-	20,436,426
Appropriation to reserves for the year	-	-	897,122	1,794,245	-	2,691,367	(2,691,367)	-	-	-
Appropriation to welfare fund for the year	-	-	-	-	-	-	(38,500)	-	-	(38,500)
Use of reserves for the year	-	-	-	(4,856)	-	(4,856)	-	-	-	(4,856)
Dividends paid for the year	-	-	-	-	-	-	-	(74,648)	-	(74,648)
Subsidiaries transferred reserves and retained earnings	-	-	(116,919)	(116,919)	-	(233,838)	(390,881)	68,722	555,997	-
As at 31 December 2022	35,172,385	476,415	3,444,639	8,163,456	474	11,608,569	64,482,685	1,128,915	555,997	113,424,966

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

24. CAPITAL AND RESERVES (continued)

24.2 Share capital

Breakdown of share capital at the end of the financial year:

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Charter capital	35,225,108	35,172,385
Share premium	476,356	476,415
	35,701,464	35,648,800

Number of shares at the end of the financial year:

	<i>31 December 2023</i>	<i>31 December 2022</i>
Registered share capital	3,522,510,811	3,517,238,514
Issued share capital	3,522,510,811	3,517,238,514
Ordinary shares	3,522,510,811	3,517,238,514

Movement of number of shares in circulation in the year:

	<i>2023</i>	<i>2022</i>
Number of shares in circulation		
Ordinary shares at 1 January	3,517,238,514	3,510,914,798
Issued ordinary shares during the year	5,272,297	6,323,716
Ordinary shares at 31 December	3,522,510,811	3,517,238,514

Nominal value of the Bank's ordinary share is VND 10,000. Each share is entitled to one vote at General Shareholders Meetings of the Bank. All shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets.

24.3 Dividends

Dividends payout shall be decided at Annual General Meeting of Shareholders.

25. INTEREST AND SIMILAR INCOME

	<i>2023</i> <i>VND million</i>	<i>2022</i> <i>VND million</i>
Interest income from deposits	1,873,427	1,409,942
Interest income from loans	45,857,719	34,247,955
Income from debt investment securities	7,241,734	7,885,156
Income from guaranteed services	970,603	577,420
Income from debt factoring services	8,998	10,176
Other income from credit activities	755,278	621,987
	56,707,759	44,752,636

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

26. INTEREST AND SIMILAR EXPENSES

	2023 VND million	2022 VND million
Interest expenses for deposits	18,324,288	9,212,164
Interest expenses for borrowings	7,303,748	3,156,518
Interest expenses for valuable papers issued	3,136,787	1,897,675
Other expenses for credit activities	251,816	196,504
	29,016,639	14,462,861

27. NET FEES AND COMMISSION INCOME

	2023 VND million	2022 VND million (Reclassified)
Fees and commission income from	11,378,085	10,840,337
Settlement and cash services	9,022,626	6,566,746
Cashier services	274	287
Trustee and agency services	583,047	710,835
Consulting services	87,121	141,699
Bancassurance services	667,334	1,750,638
Underwriting securities services	359,130	598,252
Brokerage services	423,435	753,760
Fund management services	97,283	307,706
Other services	137,835	10,414
Fees and commission expenses for	(2,663,188)	(2,687,732)
Settlement and cash services	(2,304,495)	(2,402,942)
Cashier services	(61,844)	(74,639)
Brokerage services	(183,783)	(154,916)
Consulting services	(140)	(274)
Other services	(112,926)	(54,961)
	8,714,897	8,152,605

28. NET GAIN/(LOSS) FROM TRADING FOREIGN CURRENCIES

	2023 VND million	2022 VND million
Gain from trading of foreign currencies	4,610,761	3,819,491
Gain from spot foreign exchange trading	1,133,306	1,329,040
Gain from currency derivatives	3,477,455	2,490,451
Loss for trading of foreign currencies	(4,415,011)	(4,094,554)
Loss for spot foreign exchange trading	(594,974)	(477,916)
Loss for currency derivatives	(3,820,037)	(3,616,638)
	195,750	(275,063)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

29. NET GAIN/(LOSS) FROM HELD-FOR-TRADING SECURITIES

	2023 VND million	2022 VND million
Gain from trading of held-for-trading securities	131,783	108,741
Loss for trading of held-for-trading securities	(67,163)	(354,253)
Provision reversed for diminution in value of held-for-trading securities (Note 8)	-	3,667
	64,620	(241,845)

30. NET GAIN FROM INVESTMENT SECURITIES

	2023 VND million	2022 VND million
Gain from trading of investment securities	2,551,469	927,729
Loss for trading of investment securities	(1,643,334)	(828,149)
Provision (made)/reversed for general provision of unlisted corporate bonds (Note 12.3)	(9,115)	164,563
Provision reversed for specific provision of unlisted corporate bonds (Note 12.3)	28,304	183,548
Provision made for diminution in value of investment securities (Note 12.3)	(1,491)	(22,138)
	925,833	425,553

31. NET GAIN FROM OTHER OPERATING ACTIVITIES

	2023 VND million	2022 VND million
Other operating income	6,459,694	4,499,949
Income from other derivatives	2,562,614	2,550,299
Recovery of loans previously written-off	831,790	1,311,053
Income from sales of investment property	1,775,298	-
Other income (*)	1,289,992	638,597
Other operating expenses	(4,025,578)	(2,332,574)
Expenses for other derivatives	(2,335,914)	(2,087,707)
Cost of sales of investment property	(1,044,271)	-
Other expenses (*)	(645,393)	(244,867)
	2,434,116	2,167,375

(*) Includes income, compensation expenses due to premature settlement of cross-currency swap contracts

32. INCOME FROM INVESTMENTS IN OTHER ENTITIES

	2023 VND million	2022 VND million
Dividends from other long-term investments	34,756	8,791

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

33. OPERATING EXPENSES

	<i>Notes</i>	<i>2023</i> <i>VND million</i>	<i>2022</i> <i>VND million</i> <i>(Reclassified)</i>
Salaries and related expenses	37	6,573,569	6,515,485
Publication, marketing and promotion		1,164,898	1,638,423
Office and asset rental		442,277	554,689
Depreciation and amortization of fixed assets		1,215,940	757,167
Maintenance and repair of assets expenses		398,415	331,183
Information technology expenses (*)		972,487	635,927
Tax, duties and fees		243,014	187,371
Tools and equipment expenses		142,911	136,933
Telecommunication expenses		62,634	63,899
Utilities expenses		116,958	91,961
Customers' deposits insurance expenses		422,573	347,127
Per diem expenses		63,794	56,869
Provision made for other on-balance sheet assets	16	555	1,404
Consultancy expenses		164,034	407,121
Other operating expenses		1,267,737	1,297,570
		13,251,796	13,023,129

(*) Information technology expenses exclude IT maintenance expenses and IT depreciation and amortization expenses.

34. PROVISION EXPENSES FOR CREDIT LOSSES

	<i>Notes</i>	<i>2023</i> <i>VND million</i>	<i>2022</i> <i>VND million</i>
Specific provision made for credit granting to other credit institutions	7.4	-	101,100
General provision made for loans to customers	10	679,579	595,758
Specific provision made for loans to customers	10	3,529,151	1,055,789
Provision (reversed)/made for receivables from margin activities and advances to investors	10	(181,356)	67,245
General provision reversed for debts purchased	11	(194)	(194)
Specific provision reversed for receivable from loans sold contract	16	(50,000)	(119,628)
Provision (reversed)/made for receivables from UPAS L/C (Usance Payable At Sight Letter of Credit)	16	(56,112)	236,224
		3,921,068	1,936,294

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

35. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit or loss after tax which is attributable to shareholders holding ordinary shares of the Bank (after adjusting for appropriation to bonus and welfare fund) by the weighted average of the number of common shares outstanding for the year.

Diluted earnings per share are calculated by dividing the profit or loss after tax which is attributable to shareholders holding ordinary shares of the Bank (after adjusting for the dividends of convertible preferred shares) by the total of weighted average number of ordinary shares outstanding for the year and the weighted average number of ordinary shares which are issued in case all potential ordinary shares which have a diluting impact are converted into ordinary shares.

The Bank uses the following information to calculate earnings per share:

	<u>2023</u>	<u>2022</u>
Profit after tax attributable to ordinary shareholders (VND million)	18,003,802	20,150,377
Adjust for appropriation to bonus and welfare funds (VND million)	<u>(48,000)</u>	<u>(38,500)</u>
Profit after tax attributable to ordinary shares shareholders for calculating basic earnings per share (VND million)	<u>17,955,802</u>	<u>20,111,877</u>
Adjusted profit after tax attributable to ordinary shareholders for calculation of diluted earnings per share (VND million)	17,955,802	20,111,877
Weighted average number of ordinary shares used for calculation of basic earnings per share	3,517,772,966	3,513,028,478
Effect of upcoming shares issuance (*)	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares used for calculation of diluted earnings per share	<u>3,517,772,966</u>	<u>3,513,028,478</u>
Earnings per share (VND)		
Basic earnings per share	<u>5,104</u>	<u>5,725</u>
Diluted earnings per share	<u>(*)</u>	<u>(*)</u>

(*) As at 31 December 2023 and 31 December 2022, earnings per share of the Bank are not affected by dilutive factors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

36. CASH AND CASH EQUIVALENTS

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Cash and gold	3,620,695	4,215,721
Balances with the SBV	27,140,592	11,475,590
Securities with maturity period not exceeding 3 months from the acquisition date	904,081	15,690,426
Balances with other credit institutions with original terms of 3 months or less	78,834,851	69,924,143
	110,500,219	101,305,880

37. EMPLOYEE BENEFITS

	<i>2023</i> <i>VND million</i>	<i>2022</i> <i>VND million</i>
Total employees as at 31 December (person)	11,614	12,339
I. Average number of employees for the year (person)	11,977	12,423
II. Employees' remuneration		
1. Basic salaries	5,596,413	5,554,552
2. Allowances and other income	977,156	960,933
3. Total (1+2)	6,573,569	6,515,485
4. Average salary/month	39	37
5. Average remuneration/month	46	44

38. ASSETS, VALUABLE PAPERS MORTGAGED, PLEDGED, DISCOUNTED AND REDISCOUNTED

38.1 *Assets, valuable papers mortgaged, pledged, discounted and rediscounted to the Bank*

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
From customers	1,056,032,505	901,336,716
Real estates	541,301,351	577,190,951
Movable assets	24,199,153	19,939,896
Valuable papers	112,291,637	80,226,207
Other collaterals	378,240,364	223,979,662
From other credit institutions	23,313,783	24,128,504
Valuable papers	17,864,000	24,119,900
Other collaterals	5,449,783	8,604
	1,079,346,288	925,465,220

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

38. ASSETS, VALUABLE PAPERS MORTGAGED, PLEDGED, DISCOUNTED AND REDISCOUNTED (continued)

38.2 Assets, valuable papers mortgaged, pledged, discounted and rediscounted by the Bank

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Deposits	1,698,900	2,000,000
Investment securities	-	1,593,200
	1,698,900	3,593,200

39. INTEREST AND RECEIVABLE FEES NOT COLLECTED YET

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Interest from loans to customers not collected yet	1,662,696	1,505,147
Interest from securities not collected yet	493,465	235,789
Receivable fees not collected yet	131,819	117,942
	2,287,980	1,858,878

40. WRITTEN-OFF DEBTS

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Principal of written-off debts under monitoring	14,660,063	12,528,024
Interest of written-off debts under monitoring	37,563,510	34,417,396
Other written-off debts	1,133	1,133
	52,224,706	46,946,553

41. ASSETS AND OTHER DOCUMENTS

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Precious metals, gemstones under custody services	36	33
Other assets kept under custody services	154,571,734	161,378,019
Operating lease assets (*)	-	-
Foreclosed assets pending settlement	-	623
Other valuable documents under safekeeping	44,354,576	10,624,901
	198,926,346	172,003,576

(*) The Bank has not determined the value of this item due to insufficient information and lack of detailed guidance on value under Vietnamese Accounting Standards and Financial Reporting Regime for Credit Institutions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

42. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

Related party transactions are transactions undertaken with other entities to which the Bank is related. A party is considered to be related to the Bank if:

- (a) Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Bank (including holding companies, subsidiaries and fellow subsidiaries);
- (b) Associates (specified in Vietnamese Accounting Standards No. 07 "*Accounting for Investments in Associates*");
- (c) Individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank, and close members of the family of any such individual. Close members of the family of an individual are those that may be expected to influence, or be influenced by, that person in their dealings with the Bank, for example: parent, spouse, progeny, siblings;
- (d) Key management personnel having authority and responsibility for planning, directing and controlling the activities of the Bank, including directors and officers of the Bank and close members of the families of such individuals;
- (e) Enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Bank and enterprises that have a member of key management in common with the Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

42. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions and balances with related parties of the Bank for the year ended 31 December 2023 are as follows:

Bond transactions

<i>Related party</i>	<i>Relationship</i>	<i>2023</i>			<i>Closing balance</i>
		<i>Opening balance</i>	<i>Increase</i>	<i>Decrease</i>	
<i>VND million</i>					
<i>Masan Group Corporation Joint Stock Company</i>					
	(i)				
Face value		521,880	3,679,431	(3,654,130)	547,181
Interest receivables		13,156	34,833	(40,034)	7,955
<i>Nui Phao Mining Company Limited</i>					
	(iii)				
Face value		15,350	2,840,712	(2,409,895)	446,167
Interest receivables		80	4,964	(3,707)	1,337
<i>Masan High-Tech Materials Joint Stock Company</i>					
	(iii)				
Face value		155,474	889,177	(1,044,357)	294
Interest receivables		1,571	10,855	(12,426)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

42. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)

Loans to customers

<i>Related party</i>	<i>Relationship</i>	<i>2023</i>			<i>Closing balance</i>
		<i>Opening balance</i>	<i>Increase</i>	<i>Decrease</i>	
<i>VND million</i>					
<i>European Plastic Window Joint Stock Company</i>	(ii), (iii)				
Loans to customers		372,132	410,707	(494,288)	288,551
Interest receivables		990	39,950	(39,566)	1,374
<i>Nui Phao Mining Company Limited</i>	(iii)				
Loans to customers		894,500	1,850,777	(1,470,944)	1,274,333
Interest receivables		1,213	109,886	(109,113)	1,986
<i>Masan Tungsten Limited Liability Company</i>	(iii)				
Loans to customers		184,429	349,901	(386,703)	147,627
Interest receivables		275	16,946	(17,013)	208
<i>WinEco Agricultural Investment Development and Production Limited Liability Company</i>	(iii)				
Loans to customers		105,462	51,949	(121,360)	36,051
Interest receivables		-	4,220	(4,177)	43
<i>One Mount Distribution Joint Stock Company</i>	(ii)				
Loans to customers		662,475	1,835,746	(1,592,916)	905,305
Interest receivables		1,062	63,084	(63,198)	948
<i>A group of companies related to Masan Group Corporation Joint Stock Company</i>	(iv)				
Loans to customers		129,605	148,726	(212,856)	65,475
Interest receivables		223	17,847	(17,997)	73

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

42. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)

Term deposits from customers

<i>Related party</i>	<i>Relationship</i>	2023			<i>Closing balance</i>
		<i>Opening balance</i>	<i>Increase</i>	<i>Decrease</i>	
<i>VND million</i>					
<i>One Mount Group Joint Stock Company</i>	(ii)				
Term deposits from customers		-	2,000	(2,000)	-
Interest payables		-	-	-	-
<i>One Mount Distribution Joint Stock Company</i>	(ii)				
Term deposits from customers		-	81,500	(81,500)	-
Interest payables		-	357	(357)	-
<i>Online Mobile Services Joint Stock Company</i>	(ii)				
Term deposits from customers		50,000	50,000	(50,000)	50,000
Interest payables		2,142	3,943	(2,300)	3,785
<i>TC Advisors Corporation</i>	(ii)				
Term deposits from customers		21,264	4,054	(25,318)	-
Interest payables		589	471	(1,060)	-
<i>One Mount Consumer Joint Stock Company</i>	(ii)				
Term deposits from customers		-	253,000	(253,000)	-
Interest payables		-	934	(934)	-
<i>ISADO Business Cooperation and Development Company Limited</i>	(iii)				
Term deposits from customers		2,500	-	-	2,500
Interest payables		4	120	(123)	1
<i>NET Detergent Joint Stock Company</i>	(iii)				
Term deposits from customers		44,500	812,300	(628,000)	228,800
Interest payables		154	12,695	(10,887)	1,962
<i>Masan Group Corporation Joint Stock Company</i>	(i)				
Term deposits from customers		240,000	6,194,182	(6,244,182)	190,000
Interest payables		12	15,104	(15,069)	47
<i>A group of companies related to Masan Group Corporation Joint Stock Company</i>	(iv)				
Term deposits from customers		1,916,135	23,284,912	(21,998,574)	3,202,473
Interest payables		6,352	136,136	(130,635)	11,853
<i>Members of the Board of Directors, Board of Supervision, the Executive Team and other related individuals</i>					
Term deposits from customers		849,935	1,479,445	(1,153,932)	1,175,448
Interest payables		12,000	55,427	(53,126)	14,301

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

42. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)

Guarantee, Letter of credit contracts

<u>Related party</u>	<u>Relationship</u>	<u>VND million</u>	
		<u>31 December 2023</u>	<u>31 December 2022</u>
European Plastic Window Joint Stock Company	(ii), (iii)	317,672	263,864
Mobicast Joint Stock Company	(ii)	207,375	230,175
Nui Phao Mining Company Limited	(iii)	125,090	221,844
Masan Tungsten Limited Liability Company	(iii)	-	23,168
One Mount Distribution Joint Stock Company	(ii)	49,258	228,390
Phuc Long Heritage Joint Stock Company	(ii)	10,493	-

Demand deposits from customers

<u>Related party</u>	<u>Relationship</u>	<u>VND million</u>	
		<u>31 December 2023</u>	<u>31 December 2022</u>
European Plastic Window Joint Stock Company	(ii), (iii)	1,848	3,815
One Mount Group Joint Stock Company	(ii)	74,543	546
One Mount Distribution Joint Stock Company	(ii)	23,518	104,341
One Mount Consumer Joint Stock Company	(ii)	161,464	41,353
One Mount Logistics Joint Stock Company	(ii)	7,739	-
Online Mobile Services Joint Stock Company	(ii)	50,690	42,477
Viet Thanh - Sai Dong Company Limited	(iii)	1,143	575
TC Advisors Corporation	(iii)	1,487	3,982
NET Detergent Joint Stock Company	(iii)	29	139
ISADO Business Cooperation and Development Company Limited	(iii)	1,348	995
Phong Phu – Lam Dong Joint Stock Company	(ii)	218	1,322
Mobicast Joint Stock Company	(ii)	8,176	3,783
Eurowindow Holding	(ii)	18,282	102
Masan Group Corporation Joint Stock Company	(i)	311,593	9,925
Masan Tungsten Limited Liability Company	(iii)	64,658	2,052
WinEco Agricultural Investment Development and Production Limited Liability Company	(iii)	8,359	553
A group of companies related to Masan Group Corporation Joint Stock Company	(iv)	436,223	330,535
Members of the Board of Directors, Supervision, the Executive Team and other related individuals		200,765	264,914

Fee and commission income

<u>Related party</u>	<u>Relationship</u>	<u>VND million</u>	
		<u>2023</u>	<u>2022</u>
Masan Group Corporation Joint Stock Company	(i)	24,789	47,477
Nui Phao Mining Company Limited	(iii)	32,543	30,815
Masan High-Tech Materials Joint Stock Company	(iii)	4,397	1,550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

42. SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)

Remuneration of Board of Directors, Supervision and Executive Team

<i>Related party</i>	<i>VND million</i>	
	<i>2023</i>	<i>2022</i>
Remuneration of the Board of Directors, Supervision and the Executive Team	320,098	378,710
Remuneration of the Board of Directors and Supervision	36,732	36,903
Remuneration of the Executive Team	283,366	341,807

- (i) Shareholder has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or the Executive Team or Board of Supervision of the Bank.
- (ii) Related party has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or the Executive Team or Board of Supervision of the Bank.
- (iii) Related party has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision or significant shareholders being related to members of the Board of Directors, or the Executive Team or Board of Supervision of the Bank.
- (iv) Group of related companies of Masan Group Corporation Joint Stock Company has its representative in the Board of Directors, or Board of Members, or Management or Board of Supervision being the representative in the Board of Directors, or Board of Members, or Management or Board of Supervision of the Bank; or members of the Board of Directors, or Management or Board of Supervision of these companies are related to members of the Board of Directors, or the Executive Team or Board of Supervision of the Bank.

43. GEOGRAPHICAL DISPERSION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET ITEMS

Concentration of assets, liabilities and off-balance sheet items by geographical region of the Bank's partners as at 31 December 2023 are as follows:

	<i>Total loans VND million</i>	<i>Total deposits VND million</i>	<i>Other credit commitments VND million</i>	<i>Derivatives (*) VND million</i>	<i>Trading and investment securities VND million</i>
Domestic	542,682,296	502,562,691	436,707,732	351,398,799	109,789,026
Overseas	5,795	2,717,897	9,053,187	20,600,279	-
	542,688,091	505,280,588	445,760,919	371,999,078	109,789,026

(*) Nominal contract value

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

44. RISK MANAGEMENT DISCLOSURE

This section provides details of the Bank's exposure to risks and describes the policies, the methods used by management to control risks. The most important types of financial risks to which the Bank is exposed are credit risk, liquidity risk and market risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's financial risk management framework to facilitate its business activities to thrive safely and sustainably.

Having taken that responsibility, the Board of Directors appropriately promulgates risk management policies and strategies, establishes business limit, directly approves high-value business transactions in accordance with both legal and internal requirement, and determine organizational structure and key managing directors.

Risk management strategies and policies are adhered to the Bank's Charter and Annual General Meeting of Shareholders resolution.

The Board Risk Committee ("BRC") is a committee established by the Board of Directors to perform a number of specialized functions and tasks assigned by the Board of Directors related to the supervision and risk management of banking activities.

BRC is responsible for proposing and advising the Board of Directors in preparing and organizing the implementation of risk management policies; supervising the risk management of the whole system; analyzing and giving warnings about the Bank's safety against potential risks that may affect and take preventive measures; advising the Board of Directors in approving decisions on investments, related transactions, governance policies and risk treatment plans within the scope of their functions.

45. CREDIT RISK

The Bank is subject to credit risk through its lending, investing activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees. Credit risk is the risk that may arise due to a customer's or a business partner's failure or incapability to pay debt or make payment obligations in part or in full under a contract or arrangement with the Bank. To manage the level of credit risk, the Bank attempts to deal with counterparties with good credit standing, and, when appropriate, obtains collaterals. The Bank's primary exposure to credit risk arises through its loans. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the consolidated statement of financial position. In addition, the Bank is exposed to off-balance sheet credit risk through commitments to extend credit and guarantees issued.

The Bank manages credit risk by using various tools: development and issuance of internal policies and regulations on credit risk management; development of credit procedures and manuals; regular review of credit risk; development of a credit rating system and loan classification; setting up authorization levels within the credit approval process.

The Bank has maintained a policy of credit risk management to ensure the following basic principles: set up an appropriate credit risk management environment; operate in a healthy process for granting credit facilities; maintain an appropriate management, measurement and credit monitoring process; and ensure adequate controls for credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

45. CREDIT RISK (continued)

The following table presents the maximum exposure to credit risk from on-balance sheet, before taking into account of any collaterals held or other credit risk enhancements:

	<i>Neither past due nor impaired VND million</i>	<i>Not past due but impaired VND million</i>	<i>Past due but not impaired VND million</i>	<i>Past due and impaired VND million</i>	<i>Total VND million</i>
Balances with and credit granting to other credit institutions – gross	104,072,320	93,367	-	7,733	104,173,420
Held-for-trading securities – gross	4,432,778	-	-	-	4,432,778
Loans to customers – gross	507,003,836	10,179,573	47,890	1,410,269	518,641,568
Debts purchased – gross	82,653	-	-	1,682	84,335
Investment securities – gross (*)	104,142,278	-	-	80,199	104,222,477
Other financial assets – gross	60,260,421	-	741,880	335,217	61,337,518
	779,994,286	10,272,940	789,770	1,835,100	792,892,096

(*) Excluding equity securities

The Bank classifies assets as not past due or past due based on the maturity date in the repayment period of the assets.

The assets that are not impaired of the Bank include debts secured adequately by collaterals of the borrowers in accordance with the debt classification policies and provisioning as prescribed in Note 4.6; other receivables and other financial assets whose provision does not have to be made in accordance with Circular 48 and Circular 24. The assets that are impaired include debts not secured adequately by collaterals of the borrowers in accordance with the debt classification policies and provisioning as prescribed in Note 4.6; other receivables and other financial assets whose provision has to be made in accordance with Circular 48 and Circular 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

46. MARKET RISK

46.1 Interest rate risk

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

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

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

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

- ▶ Cash and gold, capital contribution, long-term investments, fixed assets, other assets and other liabilities are classified as "Non-sensitive to interest rate" items;
- ▶ Balances with the SBV, demand balances with other financial institutions and credit institutions; due to the Government and the SBV are classified as "Non-sensitive to interest rate" items;
- ▶ Interest rate repricing terms of held-for-trading securities and investment securities are based on the remaining payment/maturity period under the contract at the end of the financial year if such securities have a fixed interest rate or based on the nearest repricing date if such securities have a floating interest rate;
- ▶ Interest rate repricing of balances with and credit granting to other financial institutions and credit institutions; derivatives and other financial assets/(liabilities); loans to customers; debts purchased; due to the Government and the SBV; deposits and borrowings from other financial institutions and credit institutions, deposits from customers are identified as follows:
 - Items with fixed interest rates for the duration of contract: interest rate repricing terms based on actual payment/maturity date under the contract since the end of the financial year;
 - Items with floating interest rates: interest rate repricing terms based on the nearest repricing date under the contract since the end of the financial year.
 - For demand deposits from customers: the interest rate re-pricing time will correspond to the stability of the demand deposit portfolio over time, based on the results of the analysis of the behavior model of the portfolio in the stressful scenario;
- ▶ Interest rate repricing terms of valuable papers issued based on the actual payment/maturity date under the contract of each type of valuable papers if there is a fixed interest rate or the nearest repricing date under the contract if there is a floating interest rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

46. MARKET RISK (continued)

46.1 Interest rate risk (continued)

Interest rate sensitivity

Assuming that all other variables remain constant, the effects of fluctuation in interest rates of the items with floating interest rates on profit before tax and shareholders' equity of the Bank and its subsidiaries is as follows:

	<i>Increase in interest rate</i>	<i>Effects on</i>	
		<i>Profit before tax VND million</i>	<i>Equity VND million</i>
As at 31 December 2023			
USD	1.50%	(183,287)	(146,630)
VND	3.00%	6,797,842	5,438,274

The following table presents assets and liabilities of the Bank based on "interest gap" as at the end of the financial year:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

46. MARKET RISK (continued)

46.1 Interest rate risk (continued)

VND million

	Overdue	Non-sensitive to interest rate	Interest re-pricing during the year					Over 5 years	Total
			Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	Over 1 to 5 years		
Assets									
Cash and gold	-	3,620,695	-	-	-	-	-	-	3,620,695
Balances with the SBV	-	27,140,592	-	-	-	-	-	-	27,140,592
Balances with and credit granting to other credit institutions (*)	7,733	13,948,561	80,886,028	3,124,000	2,496,118	3,617,613	93,367	-	104,173,420
Held-for-trading securities (*)	-	-	473,497	262,976	601,505	2,897,954	-	196,846	4,432,778
<i>In which:</i>									
Government bonds	-	-	-	-	104,570	-	-	196,846	301,416
Derivatives and other financial assets	-	(16,150)	(20,039,540)	(11,863,054)	5,475,011	8,337,978	18,249,366	-	143,611
Loans to customers (*)	1,458,159	-	236,624,155	75,707,645	61,559,293	68,812,934	71,600,078	2,879,304	518,641,568
<i>In which:</i>									
Receivables from margin activities and advances to investors	16,829	-	5,404,510	11,028,309	169,519	-	-	-	16,619,167
Debts purchased (*)	1,682	-	19,968	62,685	-	-	-	-	84,335
Investment securities (*)	80,199	2,400,279	2,714,016	30,429,083	6,555,970	19,905,586	21,268,765	22,002,350	105,356,248
<i>In which:</i>									
Government bonds and bonds guaranteed by the Government for settlement	80,199	1,347,676	-	-	-	-	5,474,607	22,002,350	28,904,832
Long-term investments (*)	-	3,047,394	-	-	-	-	-	-	3,047,394
Fixed assets and investment property	-	8,892,697	-	-	-	-	-	-	8,892,697
Other assets (*)	1,077,097	80,159,193	-	-	-	-	-	-	81,236,290
Total assets	2,624,870	139,193,261	300,678,124	97,723,335	76,687,897	103,572,065	111,211,576	25,078,500	856,769,628
Liabilities									
Due to the Government and the SBV	-	131	-	-	-	-	-	-	131
Deposits and borrowings from other financial institutions and credit institutions	-	686,258	93,933,307	21,996,835	21,040,672	15,514,556	1,374	-	153,173,002
Deposits from customers	-	9,794,456	126,766,160	70,918,601	82,427,009	52,304,214	112,402,402	47,937	454,660,779
Valuable papers issued	-	2,831	2,150,058	47,829,490	16,466,300	15,395,904	2,858,717	-	84,703,300
Other liabilities	-	25,328,735	-	-	-	-	-	-	25,328,735
Total liabilities	-	35,812,411	222,849,525	140,744,926	119,933,981	83,214,674	115,262,493	47,937	717,865,947
Interest sensitivity gap	2,624,870	103,380,850	77,828,599	(43,021,591)	(43,246,084)	20,357,391	(4,050,917)	25,030,563	138,903,681

(*) These amounts exclude provision

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

46. MARKET RISK (continued)

46.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank was incorporated and operates in Vietnam with VND as its reporting currency. The major currency in which the Bank transacts is VND. The Bank's asset - liabilities structure included different types of currencies (such as USD, EUR, AUD, etc.), which is the main cause of currency risk. The Bank has set limits on positions by currency based on internal risk assessment process and regulations of the SBV. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

Exchange rate sensitivity

Assuming that all variables remain constant, the following table shows the effects on profit before tax and equity of the Bank due to possible changes in exchange rates. Risk due to changes of exchange rates to other currencies of the Bank is not significant.

	<i>Increase in exchange rate</i>	<i>Effects on</i>	
		<i>Profit before tax VND million</i>	<i>Equity VND million</i>
As at 31 December 2023			
USD	1.00%	(60,470)	(48,376)
EUR	1.00%	90	72

The following table presents assets and liabilities in foreign currencies translated into VND as at 31 December 2023:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

46. MARKET RISK (continued)

46.2 Currency risk (continued)

	<i>USD</i> <i>VND equivalent</i>	<i>EUR</i> <i>VND equivalent</i>	<i>Other currencies</i> <i>VND equivalent</i>	<i>VND million</i> <i>Total</i>
Assets				
Cash and gold	285,779	34,297	41,349	361,425
Balances with the SBV	194,602	-	-	194,602
Balances with and credit granting to other credit institutions (*)	29,315,040	643,618	2,679,373	32,638,031
Derivatives and other financial assets	16,142,737	(14,323)	(1,908,772)	14,219,642
Loans to customers (*)	19,215,105	5,916	-	19,221,021
Other assets (*)	16,441,482	896,141	9,911	17,347,534
Total assets	81,594,745	1,565,649	821,861	83,982,255
Liabilities				
Deposits and borrowings from other financial institutions and credit institutions	69,128,940	896,133	5,382	70,030,455
Deposits from customers	12,594,299	631,828	722,146	13,948,273
Other liabilities	1,371,532	27,676	74,539	1,473,747
Total liabilities	83,094,771	1,555,637	802,067	85,452,475
FX position on-balance sheet	(1,500,026)	10,012	19,794	(1,470,220)
FX position off-balance sheet	(4,547,011)	(1,061)	(44,940)	(4,593,012)
Total FX position on and off-balance sheet	(6,047,037)	8,951	(25,146)	(6,063,232)

(*) These amounts exclude provision



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

46. MARKET RISK (continued)

46.3 *Liquidity risk*

Liquidity risk arises in the general funding of the Bank's activities and in the management of positions. Liquidity risk is caused by the Bank inability to fulfill debt obligations at maturity; or the Bank being able to fulfill debt obligations at maturity, but at higher costs than the average market costs, as specified in the Bank's internal regulations.

The maturity of assets and liabilities represents the remaining period since the end of financial year to the contractual maturity date of assets and liabilities.

The following assumptions and conditions are applied in the analysis of overdue status of the Bank's assets and liabilities:

- ▶ Balances with the SBV are classified as demand deposits which include compulsory deposits. The balance of compulsory deposits depends on the proportion and terms of the Bank's deposits from customers;
- ▶ The maturity of held-for-trading securities and investment securities is calculated based on the maturity date of each category of securities. In which, securities issued/guaranteed by the Government, regardless of the classification based on residual maturity, are considered as liquid assets in the market that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. The maturity of equity securities – investment securities of subsidiaries is determined based on the business plan;
- ▶ The maturity of balances with and credit granting to other financial institutions and credit institutions; and loans to customers is determined on the payment date in accordance with the repayment period as stipulated in contracts. The actual maturity may be altered because loan contracts may be extended/prepaid;
- ▶ The maturity of equity investments is considered as more than five (5) years because these investments do not have specific maturity date;
- ▶ The maturity of deposits and borrowings from financial institutions and credit institutions, deposits from customers, due to the Government and the SBV and other assets is determined based on features of these items or the maturity date as stipulated in contracts. The maturity of demand deposits is determined based on the result of the customer behavior analysis model. The maturity of borrowings and term deposits is determined based on the maturity date in contracts. In fact, these amounts may be rotated and therefore they last beyond the original maturity date;
- ▶ The maturity of fixed assets is determined on the remaining useful life of assets;
- ▶ The maturity of valuable papers issued is calculated based on the maturity date of each category of valuable papers;
- ▶ The maturity of other liabilities is determined on the actual maturity date of each liability.

The following table presents assets and liabilities of the Bank according to their maturities as at 31 December 2023:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

46. MARKET RISK (continued)

46.3 Liquidity risk (continued)

	VND million							Total
	Overdue		Current					
	Over 3 months	Up to 3 months	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	
Assets								
Cash and gold	-	-	3,620,695	-	-	-	-	3,620,695
Balances with the SBV	-	-	27,140,592	-	-	-	-	27,140,592
Balances with and credit granting to other credit institutions (*)	7,733	-	94,959,587	2,999,000	6,113,731	93,369	-	104,173,420
Held-for-trading securities (*)	-	-	473,497	262,976	3,499,459	-	196,846	4,432,778
<i>In which:</i>								
<i>Government bonds</i>	-	-	-	-	104,570	-	196,846	301,416
Derivatives and other financial assets	-	-	69,436	454,770	(5,156)	(359,492)	(15,947)	143,611
Loans to customers (*)	873,733	584,426	24,244,583	45,526,028	129,060,073	140,131,122	178,221,603	518,641,568
<i>In which:</i>								
<i>Receivables from margin activities and advances to investors</i>	15,916	913	5,404,510	11,028,309	169,519	-	-	16,619,167
Debts purchased (*)	1,682	-	-	-	15,439	67,214	-	84,335
Investment securities (*)	80,199	-	2,369,195	9,229,648	36,450,430	33,435,412	23,791,364	105,356,248
<i>In which:</i>								
<i>Government bonds and bonds guaranteed by the Government for settlement</i>	80,199	-	-	-	-	5,481,062	23,343,571	28,904,832
Long-term investments (*)	-	-	-	-	-	-	3,047,394	3,047,394
Fixed assets and investment property	-	-	157,049	8,222	55,930	3,467,829	5,203,667	8,892,697
Other assets (*)	335,529	741,568	12,418,105	15,160,202	32,133,321	20,403,626	43,939	81,236,290
Total assets	1,298,876	1,325,994	165,452,739	73,640,846	207,323,227	197,239,080	210,488,866	856,769,628
Liabilities								
Due to the Government and the SBV	-	-	131	-	-	-	-	131
Deposits and borrowings from other financial institutions and credit institutions	-	-	59,670,765	21,996,835	36,603,086	34,902,316	-	153,173,002
Deposits from customers	-	-	128,843,037	84,755,099	137,566,134	103,446,038	50,471	454,660,779
Valuable papers issued	-	-	6	8,408,300	2,890,533	73,404,461	-	84,703,300
Other liabilities	-	-	17,806,864	2,824,534	3,523,120	1,169,730	4,487	25,328,735
Total liabilities	-	-	206,320,803	117,984,768	180,582,873	212,922,545	54,958	717,865,947
Net liquidity gap	1,298,876	1,325,994	(40,868,064)	(44,343,922)	26,740,354	(15,683,465)	210,433,908	138,903,681

(*) These amounts exclude provision

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

46. MARKET RISK (continued)

46.4 Other market price risk

Securities held by the Bank are affected by market price risk arising from the uncertainty of future value of investment in securities.

Information about securities diminution in value at the end of the financial year as follows:

	<i>31 December 2023</i> <i>VND million</i>	<i>31 December 2022</i> <i>VND million</i>
Investment securities – gross	498,753	1,910,511
	498,753	1,910,511

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

47. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Book value and fair value of financial assets and financial liabilities of the Bank and its subsidiaries as at 31 December 2023 are as follows:

VND million

	<i>Fair value through Profit & Loss statement</i>	<i>Loans and receivables</i>	<i>Available- for-sale</i>	<i>Other financial assets/ (liabilities) at amortized cost</i>	<i>Total book value</i>	<i>Fair value</i>
Financial assets						
Cash and gold	-	3,620,695	-	-	3,620,695	3,620,695
Balances with the SBV	-	27,140,592	-	-	27,140,592	(*)
Balances with and credit granting to other credit institutions	-	104,173,420	-	-	104,173,420	(*)
Held-for-trading securities	4,432,778	-	-	-	4,432,778	(*)
Derivatives and other financial assets	143,611	-	-	-	143,611	(*)
Loans to customers	-	518,641,568	-	-	518,641,568	(*)
Debts purchased	-	84,335	-	-	84,335	(*)
Available-for-sale securities	-	-	105,356,248	-	105,356,248	(*)
Other long-term investments	-	-	3,047,394	-	3,047,394	(*)
Other financial assets	-	61,337,518	-	-	61,337,518	(*)
	4,576,389	714,998,128	108,403,642	-	827,978,159	
Financial liabilities						
Due to the Government and the SBV	-	-	-	131	131	(*)
Deposits and borrowings from other financial institutions and credit institutions	-	-	-	153,173,002	153,173,002	(*)
Deposits from customers	-	-	-	454,660,779	454,660,779	(*)
Valuable paper issued	-	-	-	84,703,300	84,703,300	(*)
Other financial liabilities	-	-	-	16,604,523	16,604,523	(*)
	-	-	-	709,141,735	709,141,735	

(*) The Bank has not determined the fair value of these items due to insufficient information and lack of detailed guidance on fair value under Vietnamese Accounting Standards and Financial Reporting Regime for Credit Institutions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

48. SEGMENT REPORT

Segment report by operating activities for the year ended 31 December 2023:

<i>Criteria</i>	<i>VND million</i>					
	<i>Bank</i>	<i>Trading Securities</i>	<i>Assets Management</i>	<i>Fund Management</i>	<i>Elimination (*)</i>	<i>Total</i>
I. Revenue	75,100,517	5,237,806	1,979,752	187,256	(631,024)	81,874,307
1. Interest revenue	54,038,244	2,591,381	14,790	89,969	(26,625)	56,707,759
2. Fee and commission income	9,829,224	1,507,462	-	97,283	(55,884)	11,378,085
3. Revenue from other business activities	11,233,049	1,138,963	1,964,962	4	(548,515)	13,788,463
II. Expense	(52,120,385)	(2,198,902)	(1,210,783)	(66,444)	531,503	(55,065,011)
1. Interest expense	(28,136,542)	(767,458)	(14,748)	-	(97,891)	(29,016,639)
2. Depreciation and amortization expenses	(1,183,447)	(22,797)	(9,696)	-	-	(1,215,940)
3. Expenses directly related to business activities	(22,800,396)	(1,408,647)	(1,186,339)	(66,444)	629,394	(24,832,432)
Profit before provision expenses for credit losses	22,980,132	3,038,904	768,969	120,812	(99,521)	26,809,296
Provision expenses for credit losses	(4,099,498)	(4,771)	4	-	183,197	(3,921,068)
Profit before tax	18,880,634	3,034,133	768,973	120,812	83,676	22,888,228
III. Assets	818,106,825	43,789,728	1,506,393	926,392	(14,847,326)	849,482,012
1. Cash and gold	3,620,695	-	-	-	-	3,620,695
2. Fixed assets and investment property	8,827,171	64,590	2,797	-	(1,861)	8,892,697
3. Other assets	805,658,959	43,725,138	1,503,596	926,392	(14,845,465)	836,968,620
IV. Liabilities	700,651,077	20,167,995	51,916	17,989	(3,023,030)	717,865,947
1. External liabilities	700,644,818	20,167,995	51,916	17,989	(3,023,030)	717,859,688

(*) Elimination of internal transactions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

49. PROFIT MOVEMENTS

The consolidated profit after tax for the year ended 31 December 2023 of the Bank decreased by VND 2,456,560 million, equivalent to a decrease of 10.99% compared to the year ended 31 December 2022 due to the following reasons:

	<i>Profit after tax</i> <i>VND million</i>
Decrease of profit after tax as a result of:	
(Decrease) in net interest and similar income	(2,598,655)
Increase in net fee and commission income	562,292
Increase in net gain from trading foreign currencies	470,813
Increase in net gain from held-for-trading securities	306,465
Increase in net gain from investment securities	500,280
Increase in net gain from other operating activities	266,741
Increase in income from investments in other entities	25,965
(Increase) in operating expenses	(228,667)
(Increase) in provision expenses for credit losses	(1,984,774)
Decrease in current corporate income tax expense	468,211
(Decrease) in deferred income tax income	(34,231)
Decrease in profit after tax	(2,245,560)

50. CORRESPONDING FIGURES

Certain corresponding figures stated in the prior year were reclassified to conform to the current year's presentation of the consolidated financial statements:

	2022		VND million
	<i>(As previously reported)</i>	<i>Reclassification</i>	<i>2022</i> <i>(Reclassified)</i>
Consolidated statement of profit or loss			
Fees and commission expenses	(2,312,843)	(374,889)	(2,687,732)
Operating expenses	(13,398,018)	374,889	(13,023,129)
Consolidated cash flow statement			
Net fees and commission income receipts	8,451,733	(374,889)	8,076,844
Payments for employees and other operating expenses	(10,006,073)	374,889	(9,631,184)

51. EVENTS AFTER THE END OF THE FINANCIAL YEAR

There has not been any matter or circumstance that has arisen since the end of the financial year that has affected or may significantly affect the operations of the Bank, the results of these operations or the state of affairs of the Bank that requires adjustment of or disclosure in the consolidated financial statements of the Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

52. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AS AT THE END OF THE FINANCIAL YEAR

	31 December 2023	31 December 2022
	VND	VND
AUD	16,335	16,352
CAD	18,320	17,442
CHF	28,835	25,922
CNY	3,418	3,426
DKK	3,593	3,402
EUR	26,971	25,299
GBP	30,899	28,593
HKD	3,108	3,027
JPY	172	180
NOK	2,389	2,412
SEK	2,410	2,267
SGD	18,393	17,637
THB	706	683
USD	24,270	23,635
XAU	7,250,000	6,630,000

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Chief Executive Officer

Hanoi, Vietnam

22 March 2024

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