

VIETNAM EXPORT IMPORT COMMERCIAL JOINT STOCK BANK

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**



VIETNAM EXPORT IMPORT COMMERCIAL JOINT STOCK BANK

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

TABLE OF CONTENTS	PAGE
The Bank's information	1
Statement of the Board of Management	3
Independent auditor's report	4
Separate statement of financial position (Form B02/TCTD)	6
Separate income statement (Form B03/TCTD)	9
Separate cash flow statement (Form B04/TCTD)	10
Notes to the separate financial statements (Form B05/TCTD)	12

VIETNAM EXPORT IMPORT COMMERCIAL JOINT STOCK BANK

THE BANK'S INFORMATION

Establishment and operation licence	No. 0011/NH-GP issued by the State Bank of Vietnam ("SBV") on 6 April 1992 and amendment, supplement Decisions for a period of 99 years from the date of the licence.	
Enterprise registration certificate	No. 0301179079 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 23 July 1992 with the latest 31 st amendment dated 9 November 2023.	
Board of Directors	Ms. Do Ha Phuong	Chairwoman (from 28 June 2023)
		Member (until 28 June 2023)
	Mr. Tran Tan Loc	Vice Chairman (from 25 January 2024)
		Member (from 18 September 2023 to 25 January 2024)
	Mr. Nguyen Canh Anh	Member (from 18 September 2023)
	Ms. Luong Thi Cam Tu	Member (from 28 June 2023)
		Chairwoman (until 28 June 2023)
	Mr. Tran Anh Thang	Independent member (from 14 February 2023)
	Mr. Pham Quang Dung	Member (from 14 February 2023)
	Ms. Le Thi Mai Loan	Member (from 14 February 2023)
	Mr. Nguyen Hieu	Member (until 14 April 2023)
	Mr. Nguyen Thanh Hung	Member (until 14 April 2023)
	Mr. Dao Phong Truc Dai	Independent member (until 14 February 2023)
	Ms. Le Hong Anh	Member (until 14 February 2023)

VIETNAM EXPORT IMPORT COMMERCIAL JOINT STOCK BANK

THE BANK'S INFORMATION (continued)

Board of Supervisors	Mr. Ngo Tony Ms. Pham Thi Mai Phuong Ms. Doan Ho Lan Mr. Trinh Bao Quoc	Head of Board of Supervisors Member Member (from 14 April 2023) Member (until 14 February 2023)
Board of Management	Mr. Nguyen Hoang Hai Mr. Tran Tan Loc Mr. Dao Hong Chau Mr. Nguyen Ho Hoang Vu Mr. Nguyen Huong Minh Ms. Le Thi Mai Loan Mr. Pham Quang Dung Ms. Dinh Thi Thu Thao Mr. La Quang Trung	Acting General Director (from 3 October 2023) Permanent Deputy General Director (from 2 August 2023 to 2 October 2023) General Director (until 2 October 2023) Deputy General Director Deputy General Director cum Chief Financial Officer Deputy General Director Deputy General Director (from 27 February 2023 to 17 April 2023 and from 25 May 2023) Deputy General Director (from 27 February 2023 to 2 October 2023) Deputy General Director (until 8 May 2023) Chief Accountant (re-appointed on 4 May 2023)
Legal representative	Ms. Do Ha Phuong Mr. Tran Tan Loc	Chairwoman (from 6 October 2023) General Director (until 6 October 2023)
Registered Head Office	8 th Floor, Office No. L8-01-11+16 Vincom Center Building, No. 72 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

VIETNAM EXPORT IMPORT COMMERCIAL JOINT STOCK BANK

STATEMENT OF THE BOARD OF MANAGEMENT

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE BANK IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Management of Vietnam Export Import Commercial Joint Stock Bank ("the Bank") is responsible for preparing the separate financial statements which give a true and fair view of the separate financial position of the Bank as at 31 December 2023, and the separate results of its operations and its separate cash flows for the year then ended. In preparing the separate financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Board of Management of the Bank is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Bank and enable separate financial statements to be prepared which comply with the basis of accounting as set out in Note 2 to the separate financial statements. The Board of Management is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud or error.

The Legal Representative has authorised the Acting General Director of the Bank to approve and sign the financial statements for the year ended 31 December 2023 according to Authorisation Letter No. 373/2023/EIB/UQ-CTHĐQT dated 3 October 2023.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

We hereby, approve the accompanying separate financial statements as set out on pages 6 to 75. The separate financial statements which give a true and fair view of the separate financial position of the Bank as at 31 December 2023 and the separate results of its operations and its separate cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and regulations on the preparation and presentation of the separate financial statements applicable to credit institutions operating in Vietnam.

Users of the separate financial statements of the Bank should read them together with the consolidated financial statements of the Bank and its subsidiary for the year ended 31 December 2023 in order to obtain full information of the consolidated financial position, consolidated results of operations and consolidated cash flows of the Bank and its subsidiary.

On behalf of the Board of Management



Nguyen Hoang Hai
Acting General Director
Authorised signatory

Ho Chi Minh City, Vietnam
28 March 2024



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VIETNAM EXPORT IMPORT COMMERCIAL JOINT STOCK BANK

We have audited the accompanying separate financial statements of Vietnam Export Import Commercial Joint Stock Bank ("the Bank") which were prepared on 31 December 2023 and approved by the Board of Management of the Bank on 28 March 2024. The separate financial statements comprise the separate statement of financial position as at 31 December 2023, the separate income statement, the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 6 to 75.

The Board of Management's Responsibility

The Board of Management of the Bank is responsible for the preparation and the true and fair presentation of the separate financial statements of the Bank in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and regulations on the preparation and presentation of separate financial statements applicable to credit institutions operating in Vietnam, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the separate 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the separate financial statements of the Bank are free from material misstatement.

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

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



Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Bank as at 31 December 2023, its separate financial performance and its separate cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and regulations on the preparation and presentation of separate financial statements applicable to credit institutions operating in Vietnam.

Other Matters

The separate financial statements of the Bank for the financial year ended 31 December 2022 were audited by another auditor whose independent audit report dated 17 March 2023 expressed an unqualified opinion.

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Nguyen Hoang Nam
Audit Practising Licence No.
0849-2023-006-1
Authorised signatory

Mai Tran Bao Anh
Audit Practising Licence No.
4166-2022-006-1

Report reference number: HCM14901
Ho Chi Minh City, 28 March 2024

SEPARATE STATEMENT OF FINANCIAL POSITION

		As at 31 December		
		2023	2022	
Note		VND million	VND million	
A	ASSETS			
I	Cash on hand, gold, silver, precious metals	3	2,257,426	2,125,863
II	Balances with SBV	4	4,058,527	5,584,541
III	Placements with other credit institutions		43,026,893	26,046,802
1	Placements with other credit institutions	5	43,026,893	26,046,802
V	Derivatives financial instruments and other financial assets	6	-	120,182
VI	Loans to customers	7	138,913,150	129,196,168
1	Loans to customers		140,448,924	130,505,614
2	Provisions for losses on loans to customers		(1,535,774)	(1,309,446)
VIII	Investment securities		6,983,290	16,074,579
1	Available-for-sale investment securities	8.1	3,712,868	2,112,868
2	Held-to-maturity investment securities	8.2	3,438,770	14,105,857
3	Provisions for diminution in value of investment securities	8.6	(168,348)	(144,146)
IX	Long-term investments	9	300,000	300,000
1	Investments in a subsidiary		300,000	300,000
X	Fixed assets		3,656,740	3,247,153
1	Tangible fixed assets	10.1	1,108,284	702,979
a	Historical cost		2,506,132	2,041,599
b	Accumulated depreciation		(1,397,848)	(1,338,620)
3	Intangible fixed assets	10.2	2,548,456	2,544,174
a	Historical cost		2,898,422	2,849,360
b	Accumulated amortisation		(349,966)	(305,186)
XII	Other assets		2,476,676	2,613,778
1	Other receivables	11.1	1,300,599	1,275,644
2	Interests and fees receivables	11.2	805,637	982,699
3	Deferred tax assets	17	20,549	20,548
4	Other assets	11.3	815,696	800,692
5	Provisions for losses on other assets	11.5	(465,805)	(465,805)
	TOTAL ASSETS		201,672,702	185,309,066

The notes on pages 12 to 75 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION (continued)

		As at 31 December	
		2023	2022
	Note	VND million	VND million
B	LIABILITIES AND EQUITY		
I	Borrowings from the Government and SBV	12	19,870
1	Deposits and borrowings from the Government and SBV		24,261
		19,870	24,261
II	Placements and borrowings from other credit institutions		16,363,869
1	Placements from other credit institutions	13.1	11,893,026
2	Borrowings from other credit institutions	13.2	9,421,326
			2,471,700
III	Deposits from customers	14	156,654,052
IV	Derivatives financial instruments and other financial liabilities	6	230,822
VI	Valuable papers in issue	15	-
VII	Other liabilities		4,012,748
1	Interest and fee payables	16.1	4,132,714
3	Other liabilities	16.2	2,490,182
			1,642,532
	TOTAL LIABILITIES		179,281,361
VIII	Equity	18	22,391,341
1	Capital		20,445,049
a	Charter capital		17,563,006
b	Investment and construction capital		17,469,561
c	Shares premium		12,355,229
d	Treasury shares		15,396
2	Reserves		15,396
5	Retained earnings		156,322
			156,322
			(78,273)
			(78,273)
			2,878,790
			2,556,846
			1,949,545
			5,439,529
	TOTAL EQUITY		22,391,341
	TOTAL LIABILITIES AND EQUITY		201,672,702
			185,309,066

The notes on pages 12 to 75 are an integral part of these separate financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION (continued)

SEPARATE OFF-STATEMENT OF FINANCIAL POSITION ITEMS

		As at 31 December	
		2023	2022
		VND million	VND million
	Note		
2	Foreign exchange transactions commitments	103,163,887	28,234,905
	- <i>Buying foreign currency commitments</i>	7,010,818	252,910
	- <i>Selling foreign currency commitments</i>	8,004,778	315,673
	- <i>Swap commitments</i>	88,148,291	27,666,322
4	Letters of credit (LC) commitments	1,226,057	1,975,802
5	Other guarantees	2,819,202	3,884,758
6	Other commitments	1,655,576	171,563
7	Interest and fee receivables not yet collected	3,529,436	3,442,317
8	Bad debts written-off	12,647,688	12,804,171
9	Other assets and documents	358,413	344,993


 Trương Hoàng Tin
 Preparer


 La Quang Trung
 Chief Accountant



 Nguyễn Hoàng Hải
 Acting General Director
 Authorised signatory
 28 March 2024



SEPARATE INCOME STATEMENT

		Year ended 31 December		
		Note	2023 VND million	2022 VND million
1	Interest and similar income	19	14,699,192	12,170,179
2	Interest and similar expenses	20	(10,118,123)	(6,587,308)
I	Net interest income		4,581,069	5,582,871
3	Fee and commission income	21	1,385,386	1,113,135
4	Fee and commission expenses	22	(879,314)	(605,172)
II	Net fee and commission income		506,072	507,963
III	Net gain from trading in foreign currencies	23	485,920	606,104
V	Net gain from trading of investment securities	24	121,282	87,550
5	Other income		927,914	528,672
6	Other expenses		(139,464)	(73,098)
VI	Net other income	25	788,450	455,574
VII	Income from investments in other entities		1,148	5,643
VIII	Operating expenses	26	(3,093,126)	(3,434,424)
IX	Operating profit before provisions for credit losses		3,390,815	3,811,281
X	Provisions for credit losses	27	(694,399)	(103,590)
XI	Profit before tax		2,696,416	3,707,691
7	Corporate income tax ("CIT") expenses - current		(550,125)	(774,317)
8	CIT expenses - deferred		1	11,003
XII	CIT expenses	28	(550,124)	(763,314)
XIII	Net profit after tax		2,146,292	2,944,377


Truong Hoang Tin
Preparer


La Quang Trung
Chief Accountant


Nguyen Hoang Hai
Acting General Director
Authorised signatory
28 March 2024



The notes on pages 12 to 75 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Direct method)

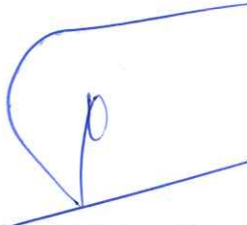
		Year ended 31 December	
		2023	2022
		VND million	VND million
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
01		14,882,415	12,137,627
02		(9,973,140)	(6,451,917)
03		506,072	507,963
04		543,415	804,012
05		(68,332)	(16,602)
06	25	854,461	469,632
07		(3,188,614)	(2,941,369)
08	31	(488,157)	(627,150)
		3,068,120	3,882,196
NET CASH INFLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES			
Changes in operating assets			
10		2,067,087	6,787,903
11		120,182	(115,920)
12		(9,943,310)	(15,830,984)
13		(468,071)	(166,623)
14	7.8	(1,091)	189,798
Changes in operating liabilities			
15		(4,391)	(4,923)
16		4,470,843	4,277,167
17		7,840,036	11,272,361
18		2,000,000	-
20		230,822	-
21		(155,753)	107,000
22		-	(10)
I		9,224,474	10,397,965

The notes on pages 12 to 75 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT (continued)
(Direct method)

	Note	Year ended 31 December	
		2023 VND million	2022 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
01	Purchases of fixed assets and other long-term assets	(658,991)	(219,456)
02	Proceeds from disposals of fixed assets	19,009	37,728
09	Dividends and shared profits received from long-term investments	1,148	5,643
II	NET CASH OUTFLOWS FROM INVESTING ACTIVITIES	(638,834)	(176,085)
III	NET CASH FLOWS FROM FINANCING ACTIVITIES	-	-
IV	NET CASH INFLOWS DURING THE YEAR	8,585,640	10,221,880
V	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	29 40,757,206	30,535,326
VII	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	29 49,342,846	40,757,206


Truong Hoang Tin
Preparer


La Quang Trung
Chief Accountant




Nguyen Hoang Hai
Acting General Director
Authorised signatory
28 March 2024

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 GENERAL INFORMATION

Vietnam Export Import Commercial Joint Stock Bank (“the Bank”) is a commercial joint stock bank registered in Vietnam pursuant to the initial Establishment and operation licence No. 0011/NH-GP issued by SBV on 6 April 1992 for a period of 99 years from the date of issuance. The Bank’s Enterprise registration certificate No. 0301179079 was initially issued by the Department of Planning and Investment of Ho Chi Minh City on 23 July 1992 with the latest 31st amendment of the Enterprise registration certificate dated 9 November 2023.

The Bank’s shares are listed on the Ho Chi Minh Stock Exchange with the ticker symbol of EIB.

The principal activities of the Bank are to mobilise and receive short, medium and long-term funds from organisations and individuals; to grant short, medium and long-term loans to organisations and individuals based on the nature and capabilities of the Bank’s capital resources; to trade foreign currencies; to provide international trade finance services; to discount commercial notes, bonds and other valuable papers; to provide settlement services and to provide other banking services in accordance with SBV’s approval.

As at 31 December 2023, the Bank’s charter capital was VND17,469,561,480,000 (as at 31 December 2022: VND12,355,229,040,000).

The Bank’s Head Office is located at the 8th Floor, Office No. L8-01-11+16 Vincom Center Building, No. 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City. As at 31 December 2023, the Bank had 1 Head Office, 1 representative office in Ha Noi, 48 branches, 167 transaction offices in provinces and cities across Vietnam (as at 31 December 2022: the Bank had 1 Head Office, 1 representative office in Ha Noi, 44 branches, 163 transaction offices in provinces and cities across Vietnam).

As at 31 December 2023, the Bank had 6,164 employees (as at 31 December 2022: 5,563 employees).

As at 31 December 2023 and 31 December 2022, the Bank had 1 subsidiary. Details are as follows:

Subsidiary	Operation licence	Nature of business	Ownership percentage and voting rights percentage	
			31.12.2023	31.12.2022
Eximbank Asset Management Company	0310280974	Debt management and asset exploitation	100%	100%

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of separate financial statements**

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and regulations on the preparation and presentation of separate financial statements applicable to credit institutions operating in Vietnam. The separate financial statements have been prepared under the historical cost convention.

The accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Viet Nam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The separate financial statements in Vietnamese are the official statutory financial statements of the Bank. The separate financial statements in English have been translated from the Vietnamese version.

Separately, the Bank has also prepared consolidated financial statements of the Bank and its subsidiary, in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the consolidated financial statements, subsidiary undertakings, which is the company over which the Bank has the power to govern the financial and operating policies, has been fully consolidated.

Users of these separate financial statements of the Bank should read them together with the consolidated financial statements of the Bank and its subsidiary for the year ended 31 December 2023 in order to obtain full information of the consolidated financial position, consolidated results of operations and consolidated cash flows of the Bank and its subsidiary.

The comparative figures presented in the separate financial statements for the year ended 31 December 2023 are audited figures of the separate financial statements for the year ended 31 December 2022.

2.2 Fiscal year

The Bank's fiscal year is from 1 January to 31 December.

2.3 Currency

The Bank's accounting currency is Vietnamese Dong ("VND" or "Dong"). The separate financial statements are prepared in Vietnamese Dong and presented rounded to the nearest million ("VND million"). The Bank determines its accounting currency in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and applicable regulations.

All transactions are recorded in original currencies. Transactions arising foreign currencies are translated at exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at month end are translated at the exchange rate prevailing at the month-end date. Foreign exchange differences arising from these translations are recognised in the foreign exchange differences item in the separate statement of financial position at month end and transferred to separate income statement at year end.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Cash and cash equivalents**

For the purpose of the separate cash flow statement, cash and cash equivalents comprise cash on hand, golds, balances with SBV, demand and term deposits at other credit institutions which have original terms within 3 months or less, and securities which have maturity dates within 3 months from purchase date.

2.5 Placements with and loans to other credit institutions

Deposits with other credit institutions include demand deposits, deposits with original terms within 3 months or less at local credit institutions, foreign bank branches and deposits at foreign credit institutions, and are recognised at the amount of principal outstanding.

Loans to other credit institutions are loans with original terms of less than 1 year to other credit institutions.

Term deposits and loans to other credit institutions are stated at the amount of principal outstanding less specific provisions.

Credit risk classification of term deposits and loans to other credit institutions and provisions thereof are made in accordance with Circular 11/2021/TT-NHNN dated 30 July 2021 issued by the SBV regulating on the classification of assets, credit loss provision level, provision calculation method and utilisation of provision in operations of credit institutions and foreign bank branches ("Circular 11") being similar to those policies applied for loans to customers as described in Note 2.6.

According to Circular 11, the Bank is not required to make general provisions for deposits with and loans to other credit institutions.

2.6 Loans to customers**2.6.1 Accounting for loans to customers***Measurement and recognition of loans to customers*

Short-term loans are those with repayment terms within 1 year from disbursement date; medium-term loans are those with repayment terms over 1 to 5 years from disbursement date and long-term loans are those with repayment terms of more than 5 years from disbursement date.

Loans to customers are stated at the amount of principal outstanding less provisions for credit losses.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Loans to customers (continued)

2.6.1 Accounting for loans to customers (continued)

Classification of loans to customers

Loans classification and provisions for credit losses are made in accordance with Circular 11.

In accordance with Circular 11, loans to customers are classified into 5 groups according to the collection status and the quantitative method, details as below:

Group 1: Current loans

- (a) Current loans assessed as fully and timely recoverable, both principals and interests; or
- (b) Loans overdue less than 10 days and assessed as fully recoverable, both overdue principals and interests, and fully and timely recoverable, both remaining principals and interests; or
- (c) Loans classified into group 1 as meeting criteria to be classified into groups with lower level of risk.

Group 2: Special-mentioned loans

- (a) Loans overdue up to 90 days, except those specified in point (b) of Current loans and those classified into a group with higher level of risk as prescribed; or
- (b) Loans rescheduled for the first time and repaid on schedule, except those meeting criteria to be classified into a group with lower level of risk and those classified into a group with higher level of risk as prescribed; or
- (c) Loans classified into group 2 as meeting criteria to be classified into a group with lower level of risk or loans classified into a group with higher level of risk as prescribed.

Group 3: Sub-standard loans

- (a) Loans which are from 91 days to 180 days overdue, except those prescribed in clause 3 of Article 10 of Circular 11; or
- (b) Loans with first-time extended repayment terms that are unmatured, except those prescribed in point (b) of clause 2 and clause 3 of Article 10 of Circular 11; or
- (c) Loans on which interest is exempted or reduced due to the borrower's inability to pay in full as agreed upon, except for those specified in Clause 3 of Article 10 of Circular 11; or
- (d) Loans falling in one of the following cases that have not yet been collected within less than 30 days from the issuance date of recovery decision:
 - Loans having violated regulations specified in clauses 1, 3, 4, 5, 6 of Article 126 of Law on credit institutions; or
 - Loans having violated regulations specified in clauses 1, 2, 3, 4 of Article 127 of Law on credit institutions; or
 - Loans having violated regulations specified in clauses 1, 2, 5 of Article 128 of Law on credit institutions.
- (e) Loans in the collection process under inspection conclusions; or
- (f) Loans recovered under premature debt recovery decisions of the Bank due to customers' breach of agreements without being collected within less than 30 days from the issuance date of recovery decisions; or
- (g) Loans that are classified into group 3 as prescribed in clause 2 and clause 3 of Article 10 of Circular 11; or
- (h) Loans that are classified into group 3 as prescribed in clause 4 of Article 8 of Circular 11.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Loans to customers (continued)****2.6.1 Accounting for loans to customers (continued)***Classification of loans to customers (continued)*

Group 4: Doubtful loans

- (a) Loans which are from 181 days to 360 days overdue, except those prescribed in clause 3 of Article 10 of Circular 11; or
- (b) Loans with first-time rescheduled repayment terms that are up to 90 days past due from the first-time rescheduled maturity dates, except those specified in clause 3 of Article 10 of Circular 11; or
- (c) Loans with second-time rescheduled repayment terms that are unmatured, except those prescribed in point (b) of clause 2 and clause 3 of Article 10 of Circular 11; or
- (d) Loans specified in point (d) of Sub-standard loans without being collected for between 30 days and 60 days from the issuance date of recovery decision; or
- (e) Loans in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term; or
- (f) Loans recovered under premature debt recovery decisions of the Bank due to customers' breach of agreements without being collected for between 30 days and 60 days from the issuance date of recovery decisions; or
- (g) Loans that are classified into group 4 as prescribed in clause 2 and clause 3 of Article 10 of Circular 11; or
- (h) Loans that are classified into group 4 as prescribed in clause 4 of Article 8 of Circular 11.

Group 5: Loss loans

- (a) Loans overdue more than 360 days; or
- (b) Loans restructured for the first time and overdue from 91 days according to the first restructured terms of repayments; or
- (c) Loans restructured for the second time and overdue according to the second restructured terms of repayments; or
- (d) Loans with third- or more-time rescheduled repayment terms, except those prescribed in point b of clause 2 of Article 10 of Circular 11; or
- (e) Loans specified in point (d) of Sub-standard loans without being collected for more than 60 days from the issuance date of recovery decision; or
- (f) Loans in the collection process under inspection conclusions but being overdue for more than 60 days according to recovery term; or
- (g) Loans recovered under premature debt recovery decisions of the Bank due to customers' breach of agreements without being collected for more than 60 days from the issuance date of recovery decisions; or
- (h) Loans to other credit institutions announced under special control status, or to foreign bank's branches of which capital and assets are blockaded; or
- (i) Loans that are classified into group 5 as prescribed in clause 3 of Article 10 of Circular 11; or
- (j) Loans that are classified into group 5 as prescribed in clause 4 of Article 8 of Circular 11.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Loans to customers (continued)****2.6.1 Accounting for loans to customers (continued)**

Loans shall be classified in a group with lower level of risk (including Group 1) in these following cases:

Overdue loans

- Customers have made full repayment of overdue principal and the interest (including interest on overdue principals) and principals and interest of following payment periods for at least 3 months in respect of long and medium-term loans and 1 month in respect of short-term loans since the date the overdue principals and interest are fully repaid; and
- The Bank has sufficient basis of information and documents to assess and conclude that customers are capable of fully repaying principals and interest in a timely manner.

Restructured loans

- Customers have made full repayment of principal and interest under restructured repayment term, for at least 3 months in respect of long and medium-term loans and 1 month in respect of short-term loans, since the date the principal and interest under restructured repayment term are fully paid; and
- The Bank has sufficient basis of information and documents to assess and conclude that customers are capable of fully repaying principals and interest in a timely manner.

Loans shall be classified in a group with higher level of risk in these following cases:

- Norms on profitability, solvency, ratio of debts to capital, cash flows, capability of customers to pay debts deteriorating continuously for three consecutive times of assessment and loan classification; or
- Customers fail to supply fully, timely and truly financial information at the request of the Bank for an assessment regarding the capability of customers to pay their loans; or
- Loans which have been classified in Group 2, Group 3, Group 4 for 1 year or longer but not qualified to classify in a group with lower level of risk; or
- Loans whose credit extension is administratively sanctioned.

Non-performing loans are loans classified into Group 3, 4 and 5.

The Bank is required to use results of loan classification as provided by the Credit Information Center of the SBV ("CIC") to classify its loans to customers into a group with higher level of risk as determined by the Bank and provided by CIC.

When a customer owes more than one loan to the Bank, and has any loan classified into a group with higher level of risk, the Bank classifies all remaining loans of such customer into such loan group with higher level of risk.

When the Bank participates in a syndicated loan, the Bank reclassifies all loans (including the outstanding syndicated loan) of customer into the highest risk group as determined by the lenders.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Loans to customers (continued)

2.6.1 Accounting for loans to customers (continued)

Provisions for losses on loans to customers

Provisions for losses on loans to customers include specific provisions and general provisions.

Specific provisions

Specific provisions for losses on loans to customers are calculated using predetermined rates applied to each loan group as follows:

	Provision rate
Group 1 - Current loans	0%
Group 2 - Special-mentioned loans	5%
Group 3 - Sub-standard loans	20%
Group 4 - Doubtful loans	50%
Group 5 - Loss loans	100%

Specific provisions are calculated based on customer's loan balances on the last working day of each month less discounted value of collateral assets.

Maximum discounted ratio of collateral assets is determined in accordance with Circular 11 as follows:

Type of collateral assets	Maximum discounted ratio
(a) Deposits, certificates of deposits from customers in VND at the Bank	100%
(b) Government bonds, gold billets in accordance with law on gold trading activities; deposits, certificates of deposit from customers in foreign currencies at the Bank	95%
(c) Municipal bonds, Government-guaranteed bonds; transferable instruments, bills and notes, bonds issued by the Bank; deposits, certificates of deposit, bills and notes issued by other credit institutions, foreign branches: <ul style="list-style-type: none"> • With a remaining term of less than 1 year • With a remaining term of between 1 year to 5 years • With a remaining term of over 5 years 	95% 85% 80%
(d) Securities issued by other credit institutions and listed on a stock exchange	70%
(e) Securities issued by enterprises (except credit institutions) and listed on a stock exchange	65%
(f) Unlisted securities and valuable papers, except for the types of securities specified in (c), issued by other credit institutions registered for listing on a stock exchange;	50%
Unlisted securities and valuable papers, except for the types of securities specified in (c), issued by other credit institutions not registered for listing on a stock exchange	30%
(g) Unlisted securities and valuable papers issued by enterprises registered for listing on a stock exchange;	30%
Unlisted securities and valuable papers issued by enterprises not registered for listing on a stock exchange	10%
(h) Real estates	50%
(i) Others	30%

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Loans to customers (continued)****2.6.1 Accounting for loans to customers (continued)**

Provisions for losses on loans to customers (continued)

Specific provisions (continued)

If collateral assets are not gold bars, listed securities, stocks registered for trading on Upcom, government bonds listed on the Stock Exchange, municipal bonds, government-guaranteed bonds and corporate bonds (including credit institutions) which are listed and registered for trading; unlisted securities on the Stock Exchanges, promissory notes, treasury bills, certificates of deposits issued by enterprises (including credit institutions, foreign bank branches), then the Bank must hire legally licensed valuers to determine collateral amounts to be used as deduction for calculation of the specific provisions at the end of financial year in these following cases:

- Collateral assets with value above VND50 billion against loans to the Bank's related parties or other parties subject to restrictions on credit extension as prescribed in Article 127 of the Law on Credit Institutions (amended and supplemented);
- Collateral assets of which the Bank values above VND200 billion.

Other than these cases, collateral assets are valued in accordance with the Bank's internal policy and procedure.

If there is no written valuation report for collateral assets from the valuers, and value of collateral assets cannot be determined according to internal policies, then value of collateral assets used as deduction must be deemed at 0 (zero).

General provisions

The general provisions are made at 0.75% of outstanding balance of loans to customers on the last working day of each month, excluding total balance of loans to customers which are classified as loss loans.

Written-off as bad debts

Bad debts could be written-off using provisions in these following cases:

- Customer is an organisation, which is dissolved, goes bankrupt as prescribed by laws or an individual who dies or is missing; or
- Debts which are classified in Group 5.

If, for at least 5 years, after using provisions against credit risks and after all measures for debt recoveries of the Bank's Credit Committee have been implemented but debts are still irrevocable, the Bank shall be entitled to release unsettled debts from the off-statement of financial position items in accordance with approval of the Bank's Credit Committee.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Loans to customers (continued)****2.6.2 Loan restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by the Covid-19 pandemic**

From 17 May 2021, loan restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by the Covid-19 pandemic are carried out in accordance with Circular 03/2021/TT-NHNN ("Circular 03/2021") effective from 17 May 2021 and Circular 14/2021/TT-NHNN ("Circular 14/2021") effective from 7 September 2021 amending and supplementing some articles of Circular 01/2020/TT-NHNN ("Circular 01/2020") governing instructions for credit institutions, foreign bank branches on debt restructuring, exemption or reduction of interest and fees, retention of loan group to assist customers affected by the Covid-19 pandemic. Details of Circular 03/2021 and Circular 14/2021 are as below:

The Bank restructures, exempts or reduces interest, fees of customers' loans satisfying all of the following conditions:

- Being a loan having arisen before 1 August 2021 (applied to loan restructuring) or a credit granting, except for investments in corporate bonds (applied to exemption or reduction of interest and/or fees);
- The obligation of principal repayment and/or interest payment arises during the period from 23 January 2020 to 30 June 2022;
- The customer is unable to repay the principal and/or to pay interest on schedule under the loan agreement due to decrease in revenue or income caused by the Covid-19 pandemic;
- The customer applies for loan restructuring and the Bank assesses that the borrower is able to fully repay the principal and/or pay interest under the restructured terms.

The loans are restructured in the following cases:

- The loan is undue or has been overdue up to 10 days under the loan/finance lease agreement, except these following cases;
- The loan arose before 23 January 2020 and was overdue during the period from 23 January 2020 to 29 March 2020;
- The loan arose from 23 January 2020 to before 10 June 2020 and was overdue before 17 May 2021;
- The loan arose from 10 June 2020 to before 1 August 2021 and was overdue from 17 July 2021 to before 7 September 2021.

The restructured term, exemption and reduction of interest and/or, fees:

- The restructured term (including loan extension) is decided in conformity with impact of the Covid-19 pandemic on each customer and is not permitted to exceed 12 months from the restructuring date or from the original maturity date of the respective restructured amount;
- Loan restructuring, exemption or reduction of interest and/or fees are carried out until 30 June 2022.

Details of loan classification, loan group retention for loans being restructured, exempted or reduced interest and/or fees:

For loans having arisen before 23 January 2020 (including loan balance which was restructured, exempted or reduced interest and moved to another loan group in accordance with regulations of SBV during the period from 23 January 2020 to 29 March 2020) restructured, exempted or reduced interest, fees according to Circular 03/2021, the Bank retains their loan groups which they were recently classified into before 23 January 2020.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Loans to customers (continued)

2.6.2 Loan restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by the Covid-19 pandemic (continued)

Details of loan classification, loan group retention for loans being restructured, exempted or reduced interest and/or fees (continued):

For loans having arisen during the period from 23 January 2020 to before 1 August 2021 restructured, exempted or reduced interest, fees, the Bank retains their loan groups as follows:

- Retain loan group at the latest classification before the date on which loans were restructured for the first time for loans being undue or overdue up to 10 days under the loan agreement except these following cases;
- Retain loan group at the latest classification before the date on which loans were overdue for loans having arisen during the period from 23 January 2020 to before 10 June 2020 and having been overdue before 17 May 2021;
- Retain loan group at the latest classification before the date on which loans were overdue for loans having arisen during the period from 10 June 2020 to before 1 August 2021 and having been overdue from 17 July 2021 to before 7 September 2021;
- Retain loan group at the latest classification before the date on which loans were exempted or reduced interest for the first time in accordance with Circular 03/2021 and Circular 14/2021.

For loans restructured, exempted or reduced interest, fees and retaining current loan group in accordance with Circular 03/2021 and Circular 14/2021, the Bank does not apply a group with higher level of risk.

2.6.3 Specific provisions for losses on loans to customers whose loans are restructured, exempted or reduced interest in accordance with Circular 03/2021 and Circular 14/2021

The Bank makes specific provisions for losses on loans to customers whose loans are rescheduled, exempted or reduced interest in accordance with Circular 03/2021 as follows:

Additional specific provisions shall be determined as follows:

$$\text{Additional specific provisions} = A - B$$

Whereas:

- A: Specific provisions made for all the outstanding loans of customers according to loan classification regulated by Circular 11.
- B: Specific provisions made for all the outstanding loans of customers according to loan classification regulated by Circular 03/2021 and Circular 14/2021.

If the aforementioned additional specific provisions are positive, the Bank is required to make additional specific provisions as follows:

- By 31.12.2021: At least 30% of additional specific provisions;
- By 31.12.2022: At least 60% of additional specific provisions;
- By 31.12.2023: 100% of additional specific provisions.

Provisions for losses on loans to customers whose loans are restructured in accordance with Circular 03/2021 and Circular 14/2021 are not applied retrospectively.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Loans to customers (continued)****2.6.4 Restructuring loan repayment terms and retention of loan group to assist customers facing difficulties in doing business and customers facing difficulties in repaying their consumer loans**

From 24 April 2023, restructuring loan repayment terms, including the principal and/or interest, to assist customers facing difficulties in doing business and customers facing difficulties in repaying their consumer loans is carried out in accordance with Circular 02/2023/TT-NHNN ("Circular 02/2023") dated 23 April 2023 issued by the SBV, upon the customers' requests and the Bank's financial capabilities.

The Bank restructures repayment terms of outstanding principals and/or interest of loans to customers satisfying all of these following conditions:

- Being a loan with principal arisen before 24 April 2023 from lending activities;
- The obligation of principal repayment and/or interest repayment arises during the period from 24 April 2023 to 30 June 2024;
- The loan to be rescheduled is undue or has been overdue up to 10 days from the due date of payment, repayment period according to the contract or agreement;
- The Bank determines that customer is unable to repay the principal and/or interest on schedule under the loan agreement due to decrease in revenue or income compared to revenue or income as specified in repayment of principal and/or interest plan under the contract or agreement;
- The customer applies for loan restructuring and the Bank determines that customer is able to fully repay principal and/or pay interest under the restructured schedules;
- Loans that violate laws and regulations shall not be restructured by the Bank;
- Restructured term (including loan extension) is decided in conformity with the degree of difficulty of each customer and is not permitted to exceed 12 months from the original maturity date of the respective rescheduled amount;
- Loan restructuring under Circular 02/2023 is carried out from 24 April 2023 until 30 June 2024.

Details of loan classification and loan group retention:

The Bank retains loan group for the loan whose principal and/or interest has been restructured ("restructured loan") at the latest classification before the loan was restructured in accordance with Circular 11.

- For restructured loans that are undue during the restructured period, the Bank does not apply to adjust, reclassify into a group with higher level of risk as prescribed in Circular 11;
- For restructured loans that are overdue during the restructured period and the Bank does not continue to apply loan restructuring as prescribed in Circular 02/2023, the Bank shall classify those restructured loans in accordance with Circular 11.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.6 Loans to customers (continued)****2.6.5 Provision for losses on loans to customers whose principals and/or interests are restructured in accordance with Circular 02/2023**

From 24 April 2023, the Bank makes provisions for losses on loans to customers whose loans are restructured as prescribed by Circular 02/2023 as follows:

Additional specific provision shall be determined as follows:

$$\text{Additional specific provision} = A - B$$

Where as:

- A: Specific provision made for all outstanding loans of customers according to loan classification regulated by Circular 11.
- B: Specific provision made for all outstanding loans of customers according to loan classification regulated by Circular 02/2023.

If the aforementioned additional specific provisions are positive, the Bank is required to make additional specific provisions as follows:

- By 31.12.2023: At least 50% of additional specific provisions;
- By 31.12.2024: 100% of additional specific provisions.

The Bank makes general provisions for losses from loans to customers for all outstanding loans according to loan classification regulated by Circular 11.

Provisions for losses on loans to customers whose loans are rescheduled in accordance with Circular 02/2023 are not applied retrospectively.

2.7 Off-statement of financial position commitments

Off-statement of financial position commitments consist of guarantees, settlement acceptances and irrevocable credit commitments and other commitments arising credit risk.

The classifications of off-statement of financial position commitments are made in accordance with Circular 11, based on the payment arrears status and other qualitative factors as follows:

Group 1: Standard commitments

- Undue commitments, as assessed by the Bank, which could be fully settled when due.

Group 2: Special mentioned commitments

- Undue commitments, as assessed by the Bank, which could not be fully settled when they fall due.

A commitment is classified in Group 3 or a group of higher risk in these following situations:

- Commitment that violates regulations as prescribed by laws regarding credit granting, foreign exchange management and safety ratio for credit institutions and foreign banks' branches; or
- Commitment that violates internal regulations regarding credit granting, commitment management, provision policy for credit institutions and foreign banks' branches; or
- Commitment that has value exceeding the limit for credit granting, except for special circumstances, as prescribed by laws.

According to Circular 11, off-statement of financial position commitments are only classified for management and supervision credit quality. Therefore, provision is not required.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Investments in securities**

Investments in securities are classified in accordance with Letter 2601/NHNN-TCKT dated 14 April 2009 issued by SBV into these categories: (i) available-for-sale investment securities and (ii) held-to-maturity investment securities. The Bank does not hold trading securities. The Bank is required to classify their investment securities at purchase date.

2.8.1 Available-for-sale investment securities*Classification and recognition*

Available-for-sale securities include debt and equity securities that the Bank purchases with investment and available-for-sale purposes, not regularly traded but can be sold when there is a benefit.

The Bank recognises available-for-sale investment securities on the date that substantially all of risks and rewards of ownerships are transferred to the Bank.

Measurement

Listed available-for-sale investment securities are stated at book value less provision for diminution in value, which is made when book value is higher than its market value.

For listed equity securities, market price is the closing price on the latest trading date up to the end of financial year.

For listed debt securities, market price is the latest trading price at the Stock Exchange within 10 days until the end of financial year.

For unlisted equity securities, provisions for diminution in value are made at the end of financial year when there is a decrease in the investment value, which is calculated based on the investee's losses.

Changes in the provision balance during the year are recognised as "*Net gain from trading of investment securities*" in the separate income statement.

The Bank does not make provisions for government bonds, municipal bonds and government-guaranteed bonds.

Debt securities are recognised at par value at purchased date. Interest receivables before purchased date (for debt securities with interest payments in arrears) and deferred interest awaiting for allocation (for debt securities with interest payments in advance) are recognised in a separate account. Discount/premium, which is the negative/positive difference between the cost and the amount of par value plus (+) accrued interest receivables before purchased date (if any) or minus (-) deferred interest awaiting for allocation (if any) is also recognised in a separate account.

In subsequent holding periods, these debt securities are recognised at par value, and discounts/premiums (if any) are amortised to the separate income statement on a straight-line basis over remaining terms of these debt securities.

Cumulative interest before purchased date is recognised as a decrease in interest receivables account upon receipt. Accrued interest incurred after purchased date is recognised as income of the Bank based on an accrual basis. Interest received in advance is amortised into interest income based on a straight-line basis over the terms of investment securities.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Investments in securities (continued)****2.8.1 Available-for-sale investment securities (continued)**

For debt securities investments that have not yet been listed on the Stock Exchanges or not registered for trading on the trading market of unlisted public companies are recognised at costs less provisions for credit losses in accordance with Circular 11 as described in Note 2.6. According to Circular 11, the Bank does not make general provisions for certificates of deposits and bonds issued by other credit institutions.

Provisions for investment securities as mentioned above are reverted when the recoverable amount of investment securities increases after provisions are made as a result of an objective event. A reversal of provisions, if any, is made only to the extent the investment securities is restored to its original cost.

Gains or losses from sales of investment securities are recognised as "*Net gain from trading of investment securities*" in the separate income statement. Cost is determined by the specific identification method.

Derecognition

Available-for-sale investment securities are derecognised when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all risks and rewards of ownerships of these securities.

2.8.2 Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities that the Bank purchases with investment purpose to earn interests and the Bank has capabilities and intentions to hold these investment securities until maturities, including special bonds issued by Debt and Asset Trading Corporation ("DATC").

Held-to-maturity investment securities have determined values and maturity dates.

According to Official Letter No. 2601/NHNN-TCKT, the Bank is allowed to reclassify once after purchasing for held-to-maturity investment securities.

Held-to-maturity investment securities are recognised and measured similarly as available-for-sale debt investment securities as presented in Note 2.8.1. DATC bonds are recorded at par value at purchased date. During the subsequent holding period, these bonds continue to be recorded at cost less provisions for credit losses in accordance with Circular 11 as presented in Note 2.6.

2.9 Investment in a subsidiary

A subsidiary is an entity whose financial and operating policies the Bank has the power to govern in order to gain future economic benefits from its activities, generally accompanying a shareholding of at least one half of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Bank controls the entity.

Investment in a subsidiary is initially recognised at cost, including capital contribution value plus other expenditure directly attributable to the investment. Subsequently, the Board of Management reviews all outstanding investment to determine the amount of provision to recognise at year end, when there is a diminution in value of the investment.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of fixed assets and bringing them to their suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in future economic benefits expected obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the separate income statement when incurred during the year.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the historical costs over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Buildings, structures	5 - 50 years
Machinery	5 - 10 years
Motor vehicles	3 - 10 years
Office equipment	3 - 10 years
Other tangible fixed assets	5 - 10 years
Software	5 - 10 years

Land use rights comprise land use rights granted by the State, for which land use fees are collected, land use rights acquired through legitimate transfers, and prepaid land use rights obtained under land rental contracts effective before the effective date of Land Laws 2003 (1 July 2004), for which land use right certificates are granted.

Indefinite land use rights are stated at costs and not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with carrying amount of fixed assets and are recognised as income or expenses in the separate income statement.

Construction in progress

Construction in progress represents costs of assets in the course of installation or construction for business, rental or administrative purposes; or for purposes not yet determined, which are recognised at costs and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; costs of tools and equipment; project management expenditure and construction consulting costs. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended uses.

2.11 Operating leases

Leases where a significant portion of the risks and rewards of ownerships are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the separate income statement on a straight-line basis over the lease terms.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.12 Other receivables**

Receivables, other than receivables from credit activities of the Bank, are recognised at costs. Subsequently, other receivables are recognised at costs less provisions for doubtful debts.

Provisions for doubtful debts are made for each outstanding amount based on overdue days in payment according to the initial payment commitment or based on the estimated loss that may arise. Provision expense is recognised as "Operating expenses" in the separate income statement during the year.

2.13 Prepaid expenses

Prepaid expenses represent prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period or a business cycle from the prepayment date. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.14 Deposits and borrowings from other credit institutions, deposits from customers and valuable papers in issue

Deposits and borrowings from other credit institutions, deposits from customers and valuable papers in issue are disclosed and presented at their principal balances at the end of financial year.

2.15 Derivatives

Derivatives are recognised in the separate statement of financial position at contract value on the contract date and subsequently are revalued at the rate of exchange prevailing at the month end. Realised gains or losses are recognised in the separate income statement. Unrealised gains or losses are recognised in the foreign exchange differences item in the separate statement of financial position at the month end and are transferred to the separate income statement at the year end.

2.16 Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the level of expenditures expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provisions due to passage of time is recognised as a financial expense. Changes in provision balances during the year are recognised as an increase or decrease in operating expenses.

2.17 Bonus and welfare fund

The bonus and welfare fund is appropriated from the Bank's profit after tax after approval by the Shareholders General Meeting and is presented as a liability on the separate statement of financial position. The Bank utilised the fund in accordance with purposes as specified in Decree No. 93/2017/ND-CP ("Decree 93") issued by the Vietnam Government on 7 August 2017.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Owners' capital

Owners' capital is recorded according to the actual amounts contributed by shareholders at par value of shares.

Share premium is the difference between par value and issued price of shares and the difference between repurchase price and re-issuing price of treasury shares.

Capital expenditure funds represent other capital at the reporting date.

Treasury shares

- Treasury shares bought before the effective date of the Law on Securities (1 January 2021) are shares issued by the Bank and bought back by the Bank itself, but these securities are not cancelled yet and may be re-issued in the future in accordance with securities laws and regulations.
- Treasury shares, which are repurchased after the effective date of the Law on Securities (1 January 2021), are cancelled and adjusted to reduce in charter capital.

Retained earnings record the Bank's results (profits) after CIT at the reporting date.

2.19 Statutory reserves

According to Decree 93, the Bank is required to make these following allocations before profits distribution:

	Percentage of annual allocation	Maximum balance
Reserves to supplement charter capital	5% of profit after tax	Charter capital
Financial reserves	10% of profit after tax	Not specified

The purpose of financial reserves is to offset residual losses and damage on assets occurring in the course of business after such losses have been offset with compensations paid by organisations, individuals who caused them, indemnity paid by insurers and utilisation of provision accounted for in expenses, and shall be used for other purposes in accordance with laws.

Other reserves including in equity are appropriated from profit after tax of the Bank. The appropriation from profit after tax and the utilisations of other reserves must be approved by the Shareholders General Meeting. These reserves are not regulated by laws and are allowed to be fully distributed.

2.20 Appropriation of profit

The Bank's dividends are recognised as a liability in the Bank's separate financial statements during the year in which the dividends are approved by the Shareholders General Meeting.

Net profit after CIT could be distributed to shareholders after approval at a Shareholders General Meeting, and after appropriation to other funds in accordance with the Bank's charter and Vietnamese laws and regulations.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Income and expenses recognition***Interest income*

Interest income is recognised in the separate income statement on an accrual basis, over time, and at effective interest rate for each period when two conditions are simultaneously satisfied: (i) it is probable that the economic benefits associated with the transaction will flow to the Bank; and (ii) the amount of interest income can be measured reliably. Accrued interest income is derecognised and recognised into off-statement of financial position items when a loan becomes overdue or is not classified as Current loan as described in Note 2.6.1, or is subject to the application of Circular 01/2020, Circular 03/2021, Circular 14/2021 as described in Note 2.6.2, or the application of Circular 02/2023 as described in Note 2.6.4. Interest income from these loans is recognised in the separate income statement upon receipts.

Fee and commission income

Fee and commission income includes fee received from settlement services, treasury services and other services, and is recognised on an accrual basis in the separate income statement, by reference to completion of specific transactions assessed on the basis of actual services provided as a proportion of total services to be provided. Fee and commission income is only recognised when all four (4) of these following conditions are satisfied:

- The income amount can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Bank;
- The percentage of completion of the transaction at the statement of financial position date can be measured reliably; and
- Costs incurred for the transaction and costs to complete the transaction can be measured reliably.

Income from investing activities

Gains and losses from trading investment securities are determined based on the difference between the selling price and the historical price of such securities.

Cash dividend income is recognised when the Bank has established the rights to receive dividends from investees. Received stock dividends and bonus shares are not recognised as income of the Bank, but only the number of shares is updated.

Other income

Other income is recognised on an accrual basis, by reference to completion level of services.

According to Circular 16/2018/TT-BTC dated 7 February 2018 issued by the Ministry of Finance, receivables which have been accounted as income but then are assessed as uncollectible or can not be collected by due date, the Bank shall revert such income if it is in the same financial year, or recognise as an expense if it is not in the same financial year and monitor these receivables in off-statement of financial position items for subsequent collection. The Bank shall recognise these receivables as income in the separate income statement upon receipt.

Interest expenses

Interest expenses are recognised in the separate income statement on an accrual basis.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.22 Current and deferred income tax**

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises of current income tax expense and deferred income tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred income tax are recognised as an income or an expense and included in the separate income statement of the year, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax, using the liability method, is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the separate statement of financial position date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.23 Related parties

Enterprises and individuals 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 are related parties of the Bank. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the Bank, key management personnel, including members of the Bank's Board of Directors, Board of Supervisors, Board of Management, and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Bank considers the substance of the relationships, and not merely the legal form.

2.24 Segment reporting

A segment is component which can be separated by the Bank engaged either in providing related products or rendering of services (business segment), or in providing products or rendering of services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Bank's geographical segment.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.25 Critical accounting estimates**

The preparation of separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and regulations on preparation and presentation of separate financial statements applicable to credit institutions operating in Vietnam requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of income and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- Loan classifications and provisions for losses on loans to customers (Note 2.6);
- Provisions for losses on other assets (Note 2.12).

Such estimates and assumptions are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the Bank and that are assessed by the Board of Management to be reasonable under the circumstances.

2.26 Items which have no balance

Items or balances required by Decision 16/2007/QĐ-NHNN dated 18 April 2007 and Circular 49/2014/TT-NHNN dated 31 December 2014 stipulating the financial reporting mechanism for credit institutions issued by SBV that are not shown in these separate financial statements indicate nil balances.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3 CASH ON HAND, GOLD, SILVER AND PRECIOUS METALS

	31.12.2023 VND million	31.12.2022 VND million
Cash on hand in VND	923,897	963,670
Cash on hand in foreign currencies	1,242,991	1,021,829
Monetary golds	90,538	140,364
	<u>2,257,426</u>	<u>2,125,863</u>

4 BALANCES WITH SBV

	31.12.2023 VND million	31.12.2022 VND million
In VND	3,510,984	5,018,300
In foreign currencies	547,543	566,241
	<u>4,058,527</u>	<u>5,584,541</u>

Balances with SBV comprise of compulsory reserves and current accounts.

Under SBV's regulations relating to compulsory reserve, the Bank is permitted to maintain a floating balance within the month for compulsory reserve requirement ("CRR"). The monthly average balance of the reserve must not be less than CRR rates multiplying with the preceding month's average balances of each type of deposit in scope.

CRR rates required on preceding month's average deposit balances:

	31.12.2023 %	31.12.2022 %
<i>For deposits from customers:</i>		
- Demand deposits and deposits with term less than 12 months in VND	3.00	3.00
- Deposits with term of 12 months and above in VND	1.00	1.00
- Demand deposits and deposits with term less than 12 months in foreign currencies	8.00	8.00
- Deposits with term of 12 months and above in foreign currencies	6.00	6.00
<i>For deposits from overseas credit institutions:</i>		
- Deposits in foreign currencies	<u>1.00</u>	<u>1.00</u>

Annual interest rates applied for these outstanding balances as at:

	31.12.2023 %	31.12.2022 %
Within the compulsory reserve requirement in VND	0.50	0.50
Within the compulsory reserve requirement in foreign currencies	0.00	0.00
Exceed the compulsory reserve requirement in VND	0.00	0.00
Exceed the compulsory reserve requirement in foreign currencies	<u>0.00</u>	<u>0.00</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5 PLACEMENTS WITH OTHER CREDIT INSTITUTIONS

5.1 Placements with other credit institutions

	31.12.2023 VND million	31.12.2022 VND million
Demand deposits		
- In VND	830,691	675,298
- In foreign currencies	20,415,342	8,769,884
	<u>21,246,033</u>	<u>9,445,182</u>
Term deposits		
- In VND	13,695,200	13,000,000
- In foreign currencies	8,085,660	3,601,620
	<u>21,780,860</u>	<u>16,601,620</u>
Total	<u><u>43,026,893</u></u>	<u><u>26,046,802</u></u>

5.2 Annual interest rates applied for these outstanding balances as at:

	31.12.2023 %	31.12.2022 %
Demand deposits in VND	0.00 - 0.10	0.00 - 0.50
Demand deposits in foreign currencies	0.00 - 5.05	0.00 - 4.20
Term deposits in VND	0.70 - 3.50	4.00 - 11.00
Term deposits in foreign currencies	5.05 - 5.40	4.20 - 4.50

5.3 Analysis by quality of term deposits with other credit institutions

	31.12.2023 VND million	31.12.2022 VND million
Current (<i>excluding demand deposits</i>)	<u>21,780,860</u>	<u>16,601,620</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6 DERIVATIVES AND OTHER FINANCIAL ASSETS/LIABILITIES

	Total contract value (at foreign exchange rate at the contract date) VND million	Total book value (at foreign exchange rate at reporting date)	
		Assets VND million	Liabilities VND million
As at 31.12.2023			
Foreign currency derivatives			
- Currency forward contracts	12,512,507	79,493	-
- Currency swap contracts	43,908,286	-	295,178
Other financial derivatives			
- Cross currency swap contracts	730,932	-	15,137
	<u>57,151,725</u>	<u>79,493</u>	<u>310,315</u>
Net amount			<u>230,822</u>
As at 31.12.2022			
Foreign currency derivatives			
- Currency forward contracts	3,561,693	-	72,384
- Currency swap contracts	14,011,783	192,566	-
	<u>17,573,476</u>	<u>192,566</u>	<u>72,384</u>
Net amount		<u>120,182</u>	

7 LOANS TO CUSTOMERS

7.1 By type of loans

	31.12.2023 VND million	31.12.2022 VND million
Loans to local economic organisations and individuals	138,881,721	129,101,885
Overdrafts and credit cards	944,257	866,950
Discounting commercial notes and valuable papers	621,777	535,200
Payments on behalf for customers	1,169	1,579
	<u>140,448,924</u>	<u>130,505,614</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7 LOANS TO CUSTOMERS (continued)

7.2 By type of customers

	31.12.2023 VND million	31.12.2022 VND million
Household businesses and individuals	81,047,699	73,897,359
Limited liability companies	40,547,545	39,894,427
Joint stock companies	14,038,104	12,823,531
State-owned enterprises	3,557,163	2,950,144
Private enterprises	429,325	290,533
Foreign-invested enterprises	223,098	200,424
Cooperatives and inter-cooperatives	88,776	46,041
Others	517,214	403,155
	<u>140,448,924</u>	<u>130,505,614</u>

7.3 By loan groups

	31.12.2023 VND million	31.12.2022 VND million
Group 1 - Current	134,883,009	126,818,432
Group 2 - Special mentioned	1,839,055	1,340,522
Group 3 - Sub-standard	446,225	264,618
Group 4 - Doubtful	1,412,553	450,518
Group 5 - Loss	1,868,082	1,631,524
	<u>140,448,924</u>	<u>130,505,614</u>

As at 31 December 2023, included in loans balance was VND2,832,523 million of drawdowns which were subject to the applications of Circular 02/2023; of which VND1,192,702 million was restructured repayment terms and retained loan group to assist customers facing difficulties in doing business and customers facing difficulties in repaying their consumer loans in accordance with Circular 02/2023. As at 31 December 2023, the Bank recognised VND105,037 million of interest income of these drawdowns in off-statement of financial position items (as at 31 December 2022: not yet incurred).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7 LOANS TO CUSTOMERS (continued)

7.4 By term

	31.12.2023 VND million	31.12.2022 VND million
Short-term	100,281,143	85,147,755
Medium-term	2,103,507	2,952,728
Long-term	38,064,274	42,405,131
	<u>140,448,924</u>	<u>130,505,614</u>

7.5 By currency

	31.12.2023 VND million	31.12.2022 VND million
In VND	126,568,061	120,274,541
In foreign currencies	13,880,863	10,231,073
	<u>140,448,924</u>	<u>130,505,614</u>

7.6 By business sector of customers

	31.12.2023 VND million	31.12.2022 VND million
Wholesales and retails, repair of cars, motor vehicles, cycles and other vehicles	50,226,337	49,248,099
Activities of households as employers, producing goods and services of households for owned uses	19,397,375	10,019,378
Manufacturing and processing	18,534,986	16,267,117
Housing loans and loans to purchases land use rights for housing of individuals	17,105,295	19,943,997
Constructions	13,223,694	13,528,536
Agriculture, forestry and aquaculture	5,832,431	5,438,352
Real estate business	2,538,319	2,933,217
Financial services and insurance	1,913,784	812,456
Transportation and warehousing	1,754,909	1,991,496
Electricity, gas, steam and air conditioning manufacturing and distributions	1,340,075	1,962,108
Accommodation and food service activities	1,087,397	1,266,802
Mining exploration	648,204	130,903
Information and communication	313,662	303,501
Water supply, sewerage, waste management and remediation activities	277,268	346,186
Health and social support activities	217,490	210,757
Science and technology activities	207,983	226,362
Administrative activities and supporting services	174,366	164,819
Education and training	92,109	74,970
Arts and entertainment	73,046	63,038
Others	5,490,194	5,573,520
	<u>140,448,924</u>	<u>130,505,614</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7 LOANS TO CUSTOMERS (continued)

7.7 Annual interest rates applied for these outstanding balances as at:

	31.12.2023	31.12.2022
	%	%
Credit cards	33.00	30.60
Loans in VND		
- Short-term	0.30 - 16.00	4.00 - 15.70
- Medium-term	5.00 - 16.50	5.90 - 15.50
- Long-term	5.00 - 17.50	4.80 - 16.00
Loans in foreign currencies		
- Short-term	2.90 - 7.50	1.80 - 7.50
- Medium-term	Not applicable	5.50
- Long-term	5.00 - 8.00	2.60 - 7.57

7.8 Provisions for losses on loans to customers

	General provisions VND million	Specific provisions (*) VND million	Total VND million
As at 1 January 2022	826,634	539,916	1,366,550
Charge/(reversal) for the year (Note 27)	139,921	(30,402)	109,519
Utilisations of provisions to write-off loans during the year	-	(166,623)	(166,623)
As at 31 December 2022	966,555	342,891	1,309,446
Charge for the year (Note 27)	72,801	621,598	694,399
Utilisations of provisions to write-off loans during the year	-	(468,071)	(468,071)
As at 31 December 2023	1,039,356	496,418	1,535,774

(*) Included in the specific provision balance of the Bank as at 31 December 2023 was VND 72,995 million (as at 31 December 2022: not yet incurred) additional provisions for loans to customers whose loans were restructured repayment terms and retained loan group to assist customers facing difficulties in doing business and customers facing difficulties in repaying their consumer loans in accordance with Circular 02/2023.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8 INVESTMENT SECURITIES

8.1 Available-for-sale investment securities

	31.12.2023 VND million	31.12.2022 VND million
Debt securities		
Certificates of deposits issued by other local credit institutions	2,200,000	1,000,000
Bonds issued by other local credit institutions	1,300,000	900,000
	<u>3,500,000</u>	<u>1,900,000</u>
Equity securities		
Equity securities issued by local economic organisations	212,868	212,868
	<u>3,712,868</u>	<u>2,112,868</u>
Provisions for available-for-sale investment securities		
Provisions for diminution in value of equity securities	(152,785)	(144,146)
	<u>3,560,083</u>	<u>1,968,722</u>

8.2 Held-to-maturity investment securities

	31.12.2023 VND million	31.12.2022 VND million
Debt securities		
Government bonds	2,563,770	7,030,857
Bonds issued by other domestic credit institutions	800,000	-
Bonds issued by domestic economic organisations	75,000	75,000
- <i>In which: Bonds issued by DATC</i>	75,000	75,000
SBV bills	-	7,000,000
	<u>3,438,770</u>	<u>14,105,857</u>
Provisions for losses on held-to-maturity investment securities		
Specific provisions	(15,000)	-
General provisions	(563)	-
	<u>(15,563)</u>	<u>-</u>
	<u>3,423,207</u>	<u>14,105,857</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8 INVESTMENT SECURITIES (continued)

8.3 Analysis by listing status of investment securities

	31.12.2023 VND million	31.12.2022 VND million
Debt securities		
Listed	2,563,770	7,030,857
Unlisted	4,375,000	8,975,000
	<u>6,938,770</u>	<u>16,005,857</u>
Equity securities		
Unlisted	212,868	212,868
	<u>7,151,638</u>	<u>16,218,725</u>

8.4 Annual interest rates applied for these outstanding balances as at:

	31.12.2023 %	31.12.2022 %
Certificates of deposits issued by other local credit institutions	5.20 - 6.80	2.70 - 4.25
Bonds issued by other local credit institutions	6.10 - 7.23	3.90 - 4.00
Government bonds	2.20 - 8.80	2.00 - 8.80
Bonds issued by local economic organisations	8.90	8.90
SBV bills	Not applicable	5.19 - 5.50

8.5 Analysis by quality of investment securities classified as credit-risk bearing assets

	31.12.2023 VND million	31.12.2022 VND million
Group 1 - Current (excluding Government bonds and SBV bills)	4,300,000	1,975,000
Group 3 - Sub-standard loans	75,000	-
	<u>4,375,000</u>	<u>1,975,000</u>



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8 INVESTMENT SECURITIES (continued)

8.6 Provisions for losses on investment securities

	General provisions VND million	Specific provisions VND million	Provisions for diminution in value VND million	Total VND million
As at 1 January 2022	-	-	126,050	126,050
Charge for the year	-	-	18,096	18,096
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2022	-	-	144,146	144,146
Charge for the year	563	15,000	8,639	24,202
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2023	<u>563</u>	<u>15,000</u>	<u>152,785</u>	<u>168,348</u>

9 LONG TERM INVESTMENTS

Investment in a subsidiary

Name	31.12.2023		31.12.2022	
	Original amount VND million	Ownership percentage (%)	Original amount VND million	Ownership percentage (%)
Eximbank Asset Management Company	<u>300,000</u>	<u>100.00</u>	<u>300,000</u>	<u>100.00</u>



NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10 FIXED ASSETS

10.1 Tangible fixed assets

	Buildings, structures VND million	Machinery VND million	Motor vehicles VND million	Office equipment VND million	Others (*) VND million	Total VND million
Historical cost						
As at 1 January 2023	456,877	878,687	184,059	44,828	477,148	2,041,599
New purchases	6,897	150,032	276,287	2,791	120,146	556,153
Disposals	(3,327)	(3,874)	(781)	(2,141)	(81,497)	(91,620)
Reclassifications	(36)	(6,169)	-	(3,886)	10,091	-
As at 31 December 2023	<u>460,411</u>	<u>1,018,676</u>	<u>459,565</u>	<u>41,592</u>	<u>525,888</u>	<u>2,506,132</u>
Accumulated depreciation						
As at 1 January 2023	(97,081)	(652,386)	(163,516)	(41,284)	(384,353)	(1,338,620)
Charge for the year	(12,581)	(65,221)	(30,944)	(1,904)	(38,395)	(149,045)
Disposals	2,339	3,874	781	2,137	80,686	89,817
Reclassifications	36	6,169	-	3,886	(10,091)	-
As at 31 December 2023	<u>(107,287)</u>	<u>(707,564)</u>	<u>(193,679)</u>	<u>(37,165)</u>	<u>(352,153)</u>	<u>(1,397,848)</u>
Net book value						
As at 1 January 2023	<u>359,796</u>	<u>226,301</u>	<u>20,543</u>	<u>3,544</u>	<u>92,795</u>	<u>702,979</u>
As at 31 December 2023	<u>353,124</u>	<u>311,112</u>	<u>265,886</u>	<u>4,427</u>	<u>173,735</u>	<u>1,108,284</u>

As at 31 December 2023, historical cost of tangible fixed assets that were fully depreciated but still in use was VND851,042 million (as at 31 December 2022: VND877,486 million).

(*) Other tangible fixed assets mainly included of leasehold improvements at branches and transaction offices.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10 FIXED ASSETS (continued)

10.2 Intangible fixed assets

	Land use rights VND million	Software VND million	Total VND million
Historical cost			
As at 1 January 2023	2,330,906	518,454	2,849,360
New purchases	4,185	54,257	58,442
Disposals	(9,380)	-	(9,380)
As at 31 December 2023	<u>2,325,711</u>	<u>572,711</u>	<u>2,898,422</u>
Accumulated amortisation			
As at 1 January 2023	-	(305,186)	(305,186)
Charge for the year	-	(44,780)	(44,780)
As at 31 December 2023	<u>-</u>	<u>(349,966)</u>	<u>(349,966)</u>
Net book value			
As at 1 January 2023	<u>2,330,906</u>	<u>213,268</u>	<u>2,544,174</u>
As at 31 December 2023	<u><u>2,325,711</u></u>	<u><u>222,745</u></u>	<u><u>2,548,456</u></u>

As at 31 December 2023, historical cost of intangible fixed assets that were fully-depreciated but still in use was VND146,531 million (as at 31 December 2022: VND135,579 million).

11 OTHER ASSETS

11.1 Other receivables

	31.12.2023 VND million	31.12.2022 VND million
Advances for purchasing fixed assets and constructions in progress (i)	414,750	370,354
Receivables from individuals relating to major litigation cases (ii)	402,380	402,380
Receivables from card settlement activities	238,976	240,638
Deposits for office rentals and other activities	61,281	55,966
Advances for operating activities	38,725	37,275
Others	144,487	169,031
	<u>1,300,599</u>	<u>1,275,644</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11 OTHER ASSETS (continued)

11.1 Other receivables (continued)

(i) Details of advances for purchasing fixed assets and constructions in progress are as follows:

	31.12.2023	31.12.2022
	VND million	VND million
Construction costs	247,172	241,860
Software	61,966	39,638
Real estate purchases	35,679	41,255
Other asset purchases	69,933	47,601
	<u>414,750</u>	<u>370,354</u>

(ii) Included in receivables from individuals relating to major litigation cases as presented in Note 38(a). Accordingly, the Bank had obligations to repay both deposit principals and corresponding interests to depositors as mentioned in these litigation cases. Civil liabilities of the former Deputy Director of Ho Chi Minh City Branch ("Former Deputy Director") regarding indemnification obligations to the Bank will be determined when the Former Deputy Director is taken into custody. As at the reporting date, the Bank fully made provision for advances to these individual depositors (Note 11.5). Details are as follows:

- VND360,401 million advanced to an individual according to decision of the Appellate Judgment issued by the People's Court of Ho Chi Minh City on 19 April 2019.
- VND20,298 million advanced to two individuals according to decision of the First Instance Judgment issued by the People's Court of Ho Chi Minh City on 23 November 2018.

The balance also includes VND21,681 million receivables from a former employee of Do Luong Transaction Office – Vinh City Branch relating to the litigation case as presented in Note 38(b). As at the reporting date, the Bank fully made provision based on the Bank's assessment on the recoverability of confiscated assets from the former employee and other individuals involved in the case (Note 11.5).

11.2 Interest and fee receivables

	31.12.2023	31.12.2022
	VND million	VND million
Interest receivables from credit activities	618,616	629,559
Interest receivables from investment securities	120,040	282,516
Interest receivables from deposits	10,842	20,670
Other interest and fee receivables	56,139	49,954
	<u>805,637</u>	<u>982,699</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11 OTHER ASSETS (continued)

11.3 Other assets

	31.12.2023 VND million	31.12.2022 VND million
Foreclosed assets awaiting resolutions (i)	712,399	717,927
Prepaid expenses awaiting for allocations	87,600	61,092
Tools, equipment	13,511	19,054
Other assets	2,186	2,619
	<u>815,696</u>	<u>800,692</u>

(i) The balance represents value of collateral assets received to substitute for performance obligations by secured parties, in which ownerships of these assets have been transferred to the Bank, and they are awaiting resolution. The Bank has sufficient documents to prove legal ownerships of these assets.

11.4 Analysis by quality of other assets classified as credit-risk bearing assets

	31.12.2023 VND million	31.12.2022 VND million
Current	1,183,477	1,384,197
Loss	465,805	465,805
	<u>1,649,282</u>	<u>1,850,002</u>

11.5 Provisions for losses on other assets

	31.12.2023 VND million	31.12.2022 VND million
Major litigation cases (Note 11.1(ii))	402,448	402,448
Others	63,357	63,357
	<u>465,805</u>	<u>465,805</u>

12 BORROWINGS FROM THE GOVERNMENT AND SBV

	31.12.2023 VND million	31.12.2022 VND million
Borrowings from SBV	<u>19,870</u>	<u>24,261</u>
Annual interest rates applied for these outstanding balances as at:	31.12.2023 %	31.12.2022 %
Borrowings from SBV in VND	<u>3.50</u>	<u>3.30</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13 PLACEMENTS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

13.1 Placements from other credit institutions

	31.12.2023 VND million	31.12.2022 VND million
Demand deposits		
- In VND	78,732	71,445
- In foreign currencies	401	391
	<u>79,133</u>	<u>71,836</u>
Term deposits		
- In VND	12,168,400	6,560,000
- In foreign currencies	4,116,336	2,789,490
	<u>16,284,736</u>	<u>9,349,490</u>
	<u>16,363,869</u>	<u>9,421,326</u>

13.2 Borrowings from other credit institutions

	31.12.2023 VND million	31.12.2022 VND million
Borrowings from other credit institutions		
- In foreign currencies	-	2,471,700
	<u>-</u>	<u>2,471,700</u>

13.3 Annual interest rates applied for these outstanding balances as at:

	31.12.2023 %	31.12.2022 %
Demand deposits in VND and in foreign currencies	0.00 - 0.10	0.00 - 0.10
Term deposits in VND	1.00 - 3.50	4.00 - 8.00
Term deposits in foreign currencies	5.00 - 5.35	4.10 - 4.25
Borrowings in foreign currencies	Not applicable	4.25 - 5.64
	<u>Not applicable</u>	<u>4.25 - 5.64</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14 DEPOSITS FROM CUSTOMERS

14.1 By types of deposits

	31.12.2023	31.12.2022
	VND million	VND million
Demand deposits		
- In VND	19,150,967	15,441,040
- In foreign currencies	4,398,601	4,533,579
Term deposits		
- In VND	51,688,744	41,806,959
- In foreign currencies	257,111	340,931
Saving deposits		
- In VND	76,722,739	82,898,873
- In foreign currencies	3,319,497	2,824,111
Marginal deposits		
- In VND	485,459	469,749
- In foreign currencies	4,274	18,240
Specialised fund deposits		
- In VND	611,599	454,544
- In foreign currencies	15,061	25,990
	<u>156,654,052</u>	<u>148,814,016</u>

14.2 By types of customers, businesses

	31.12.2023	31.12.2022
	VND million	VND million
Individuals	100,536,124	100,929,703
Joint stock companies	21,586,260	17,628,742
Limited liability companies	20,803,311	17,867,470
State-owned enterprises	7,325,524	7,007,054
Foreign invested enterprises	5,386,948	4,341,469
Business and administrative units, Communist Party, unions and associations	300,570	233,728
Others	715,315	805,850
	<u>156,654,052</u>	<u>148,814,016</u>

14.3 Annual interest rates applied for these outstanding balances as at:

	31.12.2023	31.12.2022
	%	%
Demand deposits in VND	0.00 - 0.50	0.00 - 1.00
Demand deposits in foreign currencies	0.00	0.00
Term deposits in VND	0.20 - 11.70	0.20 - 11.70
Term deposits in foreign currencies	0.00 - 0.70	0.00 - 0.70
Savings deposits in VND	0.20 - 11.70	1.00 - 12.00
Savings deposits in foreign currencies	0.00 - 0.70	0.00 - 0.70
Marginal deposits in VND	0.00 - 7.80	0.00 - 7.80
Marginal deposits in foreign currencies	0.00	0.00
Specialised fund deposits in VND	0.20 - 0.50	0.20 - 1.00
Specialised fund deposits in foreign currencies	0.00	0.00

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15 VALUABLE PAPERS IN ISSUE

	31.12.2023 VND million	31.12.2022 VND million
Certificates of deposits in VND		
- Less than 12 months	2,000,000	-

The annual interest rate applied to these outstanding balances as at:

	31.12.2023 %	31.12.2022 %
Certificates of deposits less than 12 months in VND	5.30 - 6.00	Not applicable

16 OTHER LIABILITIES

16.1 Interest and fee payables

	31.12.2023 VND million	31.12.2022 VND million
Interest payables for deposits	2,498,405	2,353,452
Interest payables for derivatives forward, swap contracts	31,632	113,483
Interest payables for borrowings and valuable papers in issue	23,277	23,247
	<u>2,553,314</u>	<u>2,490,182</u>

16.2 Other liabilities

	31.12.2023 VND million	31.12.2022 VND million
Bonus and welfare fund (i)	322,271	180,536
Payables to employees	110,779	400,092
External payables		
- Payables awaiting settlements	269,704	195,198
- Payables related to card settlement activities	265,581	304,117
- Tax and other payables to the State (Note 31)	228,688	174,898
- Payables related to L/C activities	186,742	179,410
- Payables related to interest subsidies	29,826	29,826
- Payables to the subsidiary (ii) (Note 35.2)	-	98,047
Other liabilities	45,843	80,408
	<u>1,459,434</u>	<u>1,642,532</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16 OTHER LIABILITIES (continued)

16.2 Other liabilities (continued)

(i) Movements in bonus and welfare fund during the year are as follows:

	2023 VND million	2022 VND million
Beginning of the year	180,536	14,706
Appropriation during the year (Note 18.1)	200,000	250,000
Utilisation during the year	(58,265)	(84,170)
End of the year	<u>322,271</u>	<u>180,536</u>

(ii) The balance represents a payable to a subsidiary relating to the Bank's purchases of several assets from the subsidiary, as outlined in the SBV Inspection Conclusion dated 19 October 2015. As of 31 December 2023, the Bank completed procedures to transfer ownerships of these assets from the subsidiary to the Bank.

17 DEFERRED TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same tax authority.

Details of the deferred tax assets are as follows:

	31.12.2023 VND million	31.12.2022 VND million
Deferred tax assets		
Deferred income tax assets relating to deductible temporary differences	<u>20,549</u>	<u>20,548</u>

The gross movements in deferred tax assets, excluding offsetting balances related to the same tax authority, during the fiscal year are as follows:

	2023 VND million	2022 VND million
Beginning of the year	20,548	9,545
Charged to the separate income statement	<u>1</u>	<u>11,003</u>
End of the year	<u>20,549</u>	<u>20,548</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18 OWNERS' EQUITY

18.1 Movements in owners' equity

	Charter capital VND million	Share premium VND million	Treasury shares VND million	Reserves			Total reserves VND million	Investment and construction capital VND million	Retained earnings VND million	Total VND million
				Financial reserve VND million	Supplement charter capital reserve VND million	Investment and development reserves VND million				
As at 1 January 2022	12,355,229	156,322	(78,273)	1,395,857	719,017	326	2,115,200	15,396	3,186,808	17,750,682
Profit for the year	-	-	-	-	-	-	-	-	2,944,377	2,944,377
Appropriation to reserves (*)	-	-	-	294,437	147,219	-	441,656	-	(441,656)	-
Appropriation to bonus and welfare fund (Note 16.2) (i)	-	-	-	-	-	-	-	-	(250,000)	(250,000)
Utilisations of reserves	-	-	-	(10)	-	-	(10)	-	-	(10)
As at 31 December 2022	12,355,229	156,322	(78,273)	1,690,284	866,236	326	2,556,846	15,396	5,439,529	20,445,049
Share dividends to increase capital from equity (i), (ii)	5,114,332	-	-	-	-	-	-	-	(5,114,332)	-
Profit for the year	-	-	-	-	-	-	-	-	2,146,292	2,146,292
Appropriation to reserves (*)	-	-	-	214,629	107,315	-	321,944	-	(321,944)	-
Appropriation to bonus and welfare fund (Note 16.2) (ii)	-	-	-	-	-	-	-	-	(200,000)	(200,000)
As at 31 December 2023	17,469,561	156,322	(78,273)	1,904,913	973,551	326	2,878,790	15,396	1,949,545	22,391,341

(*) The Bank appropriates reserves in accordance with the Law on Credit Institutions No.47/2010/QH12 and Decree No. 93/2017/ND-CP issued by the Government (Note 2.18).

(i) According to the Resolution of the Shareholders General Meeting dated 27 May 2022:

- The appropriation of bonus and welfare fund is VND250,000 million, equivalent to approximately 7% of profit after tax for the period from 2018 to 2021.
- The plan to increase capital from equity plan for existing shareholders at a ratio of 100:20 (a shareholder owning 100 shares is entitled to 20 new shares). On 9 September 2022, SBV issued Official Letter No. 6381/NHNN-TTGSNH approving the share dividends. Accordingly, the Bank issued 245,881,955 additional shares based on the list of eligible shareholders as of 20 February 2023.

(ii) According to the Resolution of the Shareholders General Meeting dated 14 April 2023:

- The appropriation of bonus and welfare fund is VND200,000 million, equivalent to approximately 7% of the profit after tax of the year 2022.
- The plan to increase capital from equity plan for existing shareholders at a ratio of 100:18 (a shareholder owning 100 shares is entitled to 18 new shares). On 18 August 2023, SBV issued Official Letter No. 6507/NHNN-TTGSNH approving the share dividends. Accordingly, the Bank issued 265,551,289 additional shares based on the list of eligible shareholders as of 25 September 2023.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18 OWNERS' EQUITY (continued)

18.2 Shares

18.2.1 Number of shares

	31.12.2023 Ordinary shares	31.12.2022 Ordinary shares
Number of shares registered	1,746,956,148	1,235,522,904
Number of shares issued	1,746,956,148	1,235,522,904
Number of shares repurchased	(6,090,000)	(6,090,000)
Number of existing shares in circulation	1,740,866,148	1,229,432,904

18.2.2 Movements of charter capital

	Number of ordinary shares Shares	Ordinary shares at par value VND million
As at 1 January 2022 and as at 31 December 2022	1,235,522,904	12,355,229
Share dividends to increase capital from equity	511,433,244	5,114,332
As at 31 December 2023	1,746,956,148	17,469,561

All ordinary shares have a par value of VND10,000.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

19 INTEREST AND SIMILAR INCOME

	2023 VND million	2022 VND million
Interest income from loans	13,383,521	10,996,401
Interest income from deposits	921,100	570,897
Interest income from debt investment securities	311,571	485,211
Income from guarantee services	81,086	116,548
Other income from credit activities	1,914	1,122
	<u>14,699,192</u>	<u>12,170,179</u>

20 INTEREST AND SIMILAR EXPENSES

	2023 VND million	2022 VND million
Interest expenses on deposits	10,061,850	6,530,174
Interest expenses on borrowings	23,318	56,347
Interest expense from valuable papers in issue	23,218	-
Other expenses on credit activities	9,737	787
	<u>10,118,123</u>	<u>6,587,308</u>

21 FEE AND COMMISSION INCOME

	2023 VND million	2022 VND million
Settlement and treasury services	1,153,177	830,651
Insurance agency services	93,508	131,529
Other services	138,701	150,955
	<u>1,385,386</u>	<u>1,113,135</u>

22 FEE AND COMMISSION EXPENSES

	2023 VND million	2022 VND million
Settlement and treasury services	770,613	514,851
Post and telecommunication	102,593	81,263
Other services	6,108	9,058
	<u>879,314</u>	<u>605,172</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

23 NET GAIN FROM TRADING IN FOREIGN CURRENCIES

	2023 VND million	2022 VND million
Income from trading in foreign currencies		
- Income from foreign currency spots trading	7,576,054	3,063,386
- Income from currency derivatives instruments	1,702,192	513,035
- Income from golds trading	38,332	134,774
	<u>9,316,578</u>	<u>3,711,195</u>
Expenses from trading in foreign currencies		
- Expenses from foreign currency spots trading	(7,161,703)	(2,334,873)
- Expenses from currency derivatives instruments	(1,656,107)	(672,993)
- Expenses from golds trading	(12,848)	(97,225)
	<u>(8,830,658)</u>	<u>(3,105,091)</u>
Net gain from trading in foreign currencies	<u>485,920</u>	<u>606,104</u>

24 NET GAIN FROM TRADING OF INVESTMENT SECURITIES

	2023 VND million	2022 VND million
Income from trading investment securities	145,486	165,112
Expenses from trading investment securities	(2)	(53,537)
Provisions for losses on investment securities	(24,202)	(24,025)
	<u>121,282</u>	<u>87,550</u>
Net gain from trading of investment securities	<u>121,282</u>	<u>87,550</u>

25 NET OTHER INCOME FROM OTHER ACTIVITIES

	2023 VND million	2022 VND million
Income from other activities		
Income from recoveries of written-off loans	854,461	469,632
Income from other derivatives instruments	35,529	-
Other income	37,924	59,040
	<u>927,914</u>	<u>528,672</u>
Expenses from other activities		
Expenses from other derivatives instruments	(50,633)	-
Remuneration costs for authorising debts handling	(49,015)	(23,348)
Other expenses	(39,816)	(49,750)
	<u>(139,464)</u>	<u>(73,098)</u>
Net other income	<u>788,450</u>	<u>455,574</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

26 OPERATING EXPENSES

	2023 VND million	2022 VND million
Taxes and duties	6,011	6,171
Staff costs		
- Salaries and allowances	1,400,929	1,855,837
- Salary-related contributions	153,926	141,293
- Other expenses for staffs	147,271	153,152
Assets-related expenses		
- Office rental expenses	295,318	286,693
- Depreciation and amortisation	193,825	139,781
- Repair and maintenance expenses	118,207	93,146
- Other expenses on assets	49,063	20,045
Event and hospitality expenses	197,136	147,529
Insurance expenses for customer deposits	146,885	132,658
Advertising, marketing and promotion expenses	81,008	47,270
Security services expenses	65,315	55,264
Utility expenses	59,908	55,230
Others	178,324	300,355
	<u>3,093,126</u>	<u>3,434,424</u>

27 PROVISIONS FOR CREDIT LOSSES

	2023 VND million	2022 VND million
General provisions of loans to customers (Note 7.8)	72,801	139,921
Specific provisions of loans to customers (Note 7.8)	621,598	(30,402)
Others	-	(5,929)
	<u>694,399</u>	<u>103,590</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

28 CIT EXPENSES

The CIT expenses on the Bank's profit before tax differs from theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2023 VND million	2022 VND million
Net accounting profit before tax	2,696,416	3,707,691
Tax calculated at a rate of 20%	539,283	741,538
Adjustments:		
Expenses not deductible for tax purposes	9,532	22,715
Others	1,309	(939)
CIT expenses	<u>550,124</u>	<u>763,314</u>
CIT expense/(income) recognised in the separate income statement:		
CIT - current	550,125	774,317
CIT - deferred	(1)	(11,003)
CIT expenses	<u>550,124</u>	<u>763,314</u>

CIT expense for the financial year is estimated based on taxable income and can have adjustment subject to examination by tax authorities.

29 CASH AND CASH EQUIVALENTS

	31.12.2023 VND million	31.12.2022 VND million
Cash on hand and golds	2,257,426	2,125,863
Balances with SBV	4,058,527	5,584,541
Placements with other credits institutions (including demand and term deposits with original terms of 3 months or less)	43,026,893	26,046,802
Investment securities with collection period or original maturities of 3 months or less from purchase date	-	7,000,000
	<u>49,342,846</u>	<u>40,757,206</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

30 EMPLOYEES' INCOME

	2023	2022
	VND million	VND million
Total average number of employees (headcounts)	5,940	5,258
Employees' income		
Total salary fund	1,400,929	1,855,837
Other bonus	21,000	46,752
Other income	70,508	60,256
	<u>1,492,437</u>	<u>1,962,845</u>
Average salary per month (VND million/employee)	19.7	29.4
Average income per month (VND million/employee)	<u>20.9</u>	<u>31.1</u>

31 OBLIGATIONS TO THE STATE

Items	1.1.2023 VND million	Movements during the year		31.12.2023 VND million
		Payables VND million	Payments VND million	
Payables				
CIT	136,537	550,125	(488,157)	198,505
Value added tax	17,512	113,981	(112,095)	19,398
Personal income tax	20,849	139,244	(149,308)	10,785
Withholding tax	-	9,589	(9,589)	-
Others	-	3,943	(3,943)	-
	<u>174,898</u>	<u>816,882</u>	<u>(763,092)</u>	<u>228,688</u>
Receivables				
CIT	57	-	-	57

32 ASSETS, VALUABLE PAPERS HELD AS COLLATERALS AND FOR DISCOUNTING, REDISCOUNTING

32.1 Assets and valuable papers received as collaterals and for discounting and rediscounting

	31.12.2023	31.12.2022
	VND million	VND million
Real estates	232,854,665	235,403,765
Valuable papers	25,728,334	13,526,769
Machinery, equipment, vehicles and goods	6,090,875	13,298,096
Gold and precious stone	606,715	740,260
Other assets	4,274,711	5,867,223
	<u>269,555,300</u>	<u>268,836,113</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

**32 ASSETS, VALUABLE PAPERS HELD AS COLLATERALS AND FOR DISCOUNTING,
REDISCOUNTING (continued)**

32.2 Assets, valuable papers placed as collaterals and for discounting and rediscounting

The par value of financial assets of the Bank pledged for borrowing credit facilities with other credit institutions are as follows:

	31.12.2023 VND million	31.12.2022 VND million
Valuable papers	450,000	1,650,000

33 COMMITMENTS AND CONTINGENT LIABILITIES

33.1 Commitments

Amounts of effective commitments outstanding as at the separate statement of financial position date are as follows:

	31.12.2023 VND million	31.12.2022 VND million
Foreign exchange transactions commitments	103,163,887	28,234,905
- <i>Spot buying foreign currency commitments</i>	7,010,818	252,910
- <i>Spot selling foreign currency commitments</i>	8,004,778	315,673
- <i>Foreign currency swap commitments</i>	88,148,291	27,666,322
L/C commitments	1,226,057	1,975,802
- <i>At sight L/C</i>	545,796	395,981
- <i>Deferred L/C</i>	609,467	1,157,719
- <i>Usance L/C payable at sight (UPAS L/C)</i>	167,040	527,423
- <i>Less: marginal deposits</i>	(96,246)	(105,321)
Other guarantees	2,819,202	3,884,758
- <i>Payment guarantees</i>	1,151,256	1,636,143
- <i>Contract performance guarantees</i>	417,236	517,351
- <i>Bidding guarantees</i>	135,337	136,657
- <i>Other guarantees</i>	1,325,662	1,804,758
- <i>Less: marginal deposits</i>	(210,289)	(210,151)
Other commitments	1,655,576	171,563
- <i>Cross currency swaps commitments</i>	1,477,002	-
- <i>Others</i>	178,574	171,563
	<u>108,864,722</u>	<u>34,267,028</u>

33.2 Interest and fee receivables not yet collected

	31.12.2023 VND million	31.12.2022 VND million (*)
Interest receivables from loans not yet collected	3,231,917	3,144,430
Fee receivables not yet collected	297,519	297,887
	<u>3,529,436</u>	<u>3,442,317</u>

(*) Comparative figures were restated, excluding interest receivables from long outstanding credit card loans that had been overdue for many years.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

33 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

33.3 Bad debts written-off

	31.12.2023 VND million	31.12.2022 VND million
Principal balances of written-off loans being under monitoring	5,907,535	6,262,097
Interest balances of written-off loans being under monitoring	6,740,153	6,542,074
	<u>12,647,688</u>	<u>12,804,171</u>

33.4 Other assets and documents

	31.12.2023 VND million	31.12.2022 VND million
Precious metals and stones kept-on-behalf	216,036	201,753
Foreclosed assets awaiting resolutions	137,781	137,781
Other assets kept-on-behalf	4,596	5,459
	<u>358,413</u>	<u>344,993</u>

33.5 Commitments under operating leases

The future minimum lease payments under non-cancellable operating leases are as follows:

	31.12.2023 VND million	31.12.2022 VND million
Within 1 year	238,847	205,459
From 1 year to 5 years	442,399	406,509
Over 5 years	135,415	145,999
	<u>816,661</u>	<u>757,967</u>

33.6 Capital commitments

Capital expenditures for purchasing fixed assets contracted for at the reporting date but not recognised in the separate financial statements are as follows:

	31.12.2023 VND million	31.12.2022 VND million
Software	67,158	101,933
Buildings, structures	57,830	66,045
Others	5,502	-
	<u>130,490</u>	<u>167,978</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

34 CONCENTRATIONS OF ASSETS, LIABILITIES AND OFF STATEMENT OF FINANCIAL POSITION ITEMS BY GEOGRAPHICAL AREA

	Placements with other credit institutions VND million	Loans to customers VND million	Placements and borrowings from other credit institutions VND million	Deposits from customers VND million	Derivatives financial instruments (*) VND million	Investment securities VND million	Long-term investments in other entities VND million	Valuable papers in issue VND million	Credit commitments VND million
31.12.2023									
Domestic	23,149,492	140,448,924	16,363,869	153,979,070	57,102,083	7,151,638	300,000	2,000,000	4,351,794
Overseas	19,877,401	-	-	2,674,982	49,642	-	-	-	-
	<u>43,026,893</u>	<u>140,448,924</u>	<u>16,363,869</u>	<u>156,654,052</u>	<u>57,151,725</u>	<u>7,151,638</u>	<u>300,000</u>	<u>2,000,000</u>	<u>4,351,794</u>
31.12.2022									
Domestic	18,295,736	130,505,614	9,421,326	146,292,529	17,510,839	16,218,725	300,000	-	6,176,032
Overseas	7,751,066	-	2,471,700	2,521,487	62,637	-	-	-	-
	<u>26,046,802</u>	<u>130,505,614</u>	<u>11,893,026</u>	<u>148,814,016</u>	<u>17,573,476</u>	<u>16,218,725</u>	<u>300,000</u>	<u>-</u>	<u>6,176,032</u>

(*) Total contract value at foreign exchange rate at the contract date.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

35 RELATED PARTY DISCLOSURES

35.1 Related party transactions

The primary transactions with related parties incurred during the year are as follows:

	2023 VND million	2022 VND million
Major shareholders and their related parties (*)		
Expenses		
- Interest expenses paid on deposits	-	13
- Interest expenses paid on borrowings	1,142	14,804
Income		
- Interest income from deposits	866	1,205
- Fee income from payment services	-	795
	<u> </u>	<u> </u>
Subsidiary		
Interest expenses paid on deposits	16,035	9,100
Remuneration costs for authorising debts handling	49,015	23,348
Fee income from payment services	2	1
	<u> </u>	<u> </u>
Members of the Board of Management, Board of Supervisors, Board of Directors and their related parties		
Expenses		
- Interest expenses paid on deposits	6,231	4,417
- Expenses from payment services	135	56
Income		
- Interest income from loans	217	283
- Fee income from payment services	35	13
Salary and remuneration (**)	60,848	116,763
- Board of Management and Chief Accountant	21,381	21,834
- Board of Directors	30,467	73,629
- Board of Supervisors	9,000	21,300
	<u> </u>	<u> </u>

(*) Sumitomo Mitsui Banking Corporation is no longer a major shareholder since 13 January 2023.

(**) Details of salaries, bonuses of the Board of Management and Chief Accountant:

Name	Position	2023 VND million	2022 VND million
Mr. Nguyen Hoang Hai	Acting General Director (from 3 October 2023)		
	Permanent Deputy General Director (from 2 August 2023 to 2 October 2023)	1,453	-
Mr. Tran Tuan Loc	General Director (until 2 October 2023)	4,872	6,075
Mr. Dao Hong Chau	Deputy General Director	3,849	3,733
Mr. Nguyen Ho Hoang Vu	Deputy General Director cum Chief Financial Officer	3,400	3,163
Mr. Nguyen Huong Minh	Deputy General Director	4,165	3,974
Ms. Dinh Thi Thu Thao	Deputy General Director (until 8 May 2023)	2,257	3,600
Mr. La Quang Trung	Chief Accountant (re-appointed on 4 May 2023)	1,385	1,289
Total		<u>21,381</u>	<u>21,834</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

35 RELATED PARTY DISCLOSURES (continued)

35.1 Related party transactions (continued)

(**) Details of remuneration of the Board of Directors:

Name	Position	2023 VND million	2022 VND million
Ms. Do Ha Phuong	Chairwoman (from 28 June 2023)		
	Member (until 28 June 2023)	5,580	4,636
Mr. Tran Tan Loc	Vice Chairman (from 25 January 2024)		
	Member (from 18 September 2023 to 25 January 2024)	995	-
Mr. Nguyen Canh Anh	Member (from 18 September 2023)	1,113	-
Ms. Luong Thi Cam Tu	Member (from 28 June 2023)		
	Chairwoman (until 28 June 2023)	5,830	12,934
Mr. Tran Anh Thang	Independent member (from 14 February 2023)	4,351	-
Mr. Pham Quang Dung	Member (from 14 February 2023)	4,351	-
Ms. Le Thi Mai Loan	Member (from 14 February 2023)	4,351	-
Mr. Nguyen Hieu	Member (until 14 April 2023)	1,415	4,636
Mr. Nguyen Thanh Hung	Member (until 14 April 2023)	1,415	4,636
Mr. Dao Phong Truc Dai	Member (until 14 February 2023)	533	3,397
Ms. Le Hong Anh	Member (until 14 February 2023)	533	3,397
Mr. Vo Quang Hien	Member (from 15 February 2022 to 13 September 2022)	-	2,040
Mr. Yasuhiro Saitoh	Chairman (until 15 February 2022)	-	5,287
Mr. Nguyen Quang Thong	Vice Chairman (until 15 February 2022)	-	3,858
Mr. Le Minh Quoc	Independent Member (until 15 February 2022)	-	5,237
Mr. Cao Xuan Ninh	Member (until 15 February 2022)	-	2,643
Mr. Ngo Thanh Tung	Member (until 15 February 2022)	-	4,697
Mr. Le Van Quyet	Member (until 15 February 2022)	-	1,005
Mr. Dang Anh Mai	Member (until 15 February 2022)	-	7,613
Mr. Hoang Tuan Khai	Member (until 15 February 2022)	-	7,613
		30,467	73,629

The items are presented on net basis after deducting personal income tax.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

35 RELATED PARTY DISCLOSURES (continued)

35.2 Year end balances with related parties

	31.12.2023	31.12.2022
	VND million	VND million
Major shareholders and their related parties		
Deposits from other credit institutions	-	211,704
Borrowings from other credit institutions	-	588,500
	<u> </u>	<u> </u>
Subsidiary		
Deposits from customers	324,884	199,445
Other liabilities	858	98,561
- <i>Interest payables from deposits</i>	858	514
- <i>Payables to subsidiary (Note 16.2)</i>	-	98,047
Long-term investments	300,000	300,000
	<u> </u>	<u> </u>
Members of the Board of Directors, Board of Supervisors, Board of Management and their related parties		
Deposits from customers	65,590	21,777
Other assets	1	22
- <i>Interest receivables</i>	1	22
Other liabilities	1,649	226
- <i>Interest payables from saving deposits</i>	1,649	226
Loans to customers	1,519	4,959
	<u> </u>	<u> </u>

36 FINANCIAL RISK MANAGEMENT

36.1 Risk management policies relating to financial instruments

Risk is inherent in the Bank's activities and is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. Risk management process is critical to the Bank's capabilities to generate profits and each individual within the Bank is accountable for the risk prevention within their responsibilities. The Bank is exposed to credit risk, liquidity risk and market risk. Besides, the Bank is also subject to operational risks.

Risk management structure

Board of Directors:

- is responsible for monitoring overall risk management process within the Bank.

Risk Management Committee:

- advises the Board of Directors in promulgation of procedures and policies under their jurisdiction relating to risk management in the Bank's operation.
- analyses, provides warnings about safety against threats, potential risks that may affect the Bank's operation and provides preventive measures for these risks in short term and long term.
- reviews and evaluates the appropriateness and effectiveness of current risk management policies and procedures of the Bank in order to propose recommendations, suggestions to the Board of Directors on requests to change procedures, policies and operational strategies.

Board of Supervisors:

- has responsibilities to control the overall risk management process within the Bank.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****36 FINANCIAL RISK MANAGEMENT (continued)****36.1 Risk management policies relating to financial instruments (continued)***Internal Audit:*

- audits the operational processes of the Bank according to annual internal audit plan, to ensure completeness and compliance.
- communicates audit results with the Board of Directors and reports findings and recommendations to the Board of Supervisors.

Risk measurement and reporting systems

Monitoring and controlling risks are primarily performed based on limits established by the Bank, which is in compliance with SBV's regulations. These limits reflect business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept. Information compiled from business activities is examined and processed in order to analyse, control and early identify risks. Management shall receive comprehensive quarterly risk reports, which are designed to provide all the necessary information to assess and conclude on the Bank's level of risks.

Concentration risk

Concentration risk arises when a number of counterparties of the Bank is engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would affect customers' payment obligations when being due under changes in economic, political or other conditions.

In order to avoid excessive concentration risk, the Bank's policies and procedures include specific guidelines to diversify portfolios. Identified concentrations of credit risk are controlled and managed accordingly. Selective risk prevention is also used within the Bank in respect of industries and other related factors.

36.2 Credit risk

Credit risk is the risk of financial loss due to customer or counterparty of the Bank being unable or unwilling to fulfill on its payment obligations, in part or as a whole under a contract or agreement with the Bank. The Bank's customer or counterparty (including credit institutions and foreign bank branches) has relationship with the Bank in term of being granted credit (including entrusted loans), receiving deposits.

36.2.1 Credit risk management and mitigation policies

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

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

36 FINANCIAL RISK MANAGEMENT (continued)

36.2 Credit risk (continued)

36.2.2 Maximum exposure to credit risk

The maximum exposure to credit risk is the carrying amounts on the separate statement of financial position as well as off-statement of financial position financial instruments, without taking into account any collateral assets held or other credit enhancements. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers. The table below shows the maximum exposure to credit risk for the Bank:

	Maximum exposures	
	31.12.2023	31.12.2022
	VND million	VND million
Credit risk exposures relating to assets in the separate statement of financial position:		
Placements with other credit institutions	43,026,893	26,046,802
Derivatives financial instruments and other financial assets	-	120,182
Loans to customers	140,448,924	130,505,614
Investment securities (Note 8.5)	4,375,000	1,975,000
Other financial assets (Note 11.4)	1,649,282	1,850,002
	<u>189,500,099</u>	<u>160,497,600</u>
Credit risk exposures relating to off-statement of financial position items:		
Financial guarantee contracts	3,029,491	4,094,909
L/C commitments	1,322,303	2,081,123
	<u>4,351,794</u>	<u>6,176,032</u>
	<u><u>193,851,893</u></u>	<u><u>166,673,632</u></u>

35.2.3 Collaterals

The details of collateral assets are presented in Note 32.1.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

36 FINANCIAL RISK MANAGEMENT (continued)

36.2 Credit risk (continued)

36.2.4 Credit quality

Analysis by credit quality of credit risk bearing assets at the carrying amount as at the reporting date is as follows:

	As at 31.12.2023				
	Placements with other credit institutions VND million	Loans to customers VND million	Investment securities VND million	Other financial assets VND million	Total VND million
Balances neither past due nor impaired	43,026,893	132,444,675	4,300,000	1,183,477	180,955,045
Balances past due but not impaired	-	2,687,835	-	-	2,687,835
Balances impaired	-	5,316,414	75,000	465,805	5,857,219
	<u>43,026,893</u>	<u>140,448,924</u>	<u>4,375,000</u>	<u>1,649,282</u>	<u>189,500,099</u>
Less: provisions					
Specific provisions	-	(496,418)	(15,000)	-	(511,418)
General provisions	-	(1,039,356)	(563)	-	(1,039,919)
Other provisions	-	-	-	(465,805)	(465,805)
	<u>-</u>	<u>(1,535,774)</u>	<u>(15,563)</u>	<u>(465,805)</u>	<u>(2,017,142)</u>
Net amount	<u><u>43,026,893</u></u>	<u><u>138,913,150</u></u>	<u><u>4,359,437</u></u>	<u><u>1,183,477</u></u>	<u><u>187,482,957</u></u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

36 FINANCIAL RISK MANAGEMENT (continued)

36.2 Credit risk (continued)

36.2.4 Credit quality (continued)

	As at 31.12.2022					
	Placements with other credit institutions VND million	Derivatives VND million	Loans to customers VND million	Investment securities VND million	Other financial assets VND million	Total VND million
Balances neither past due nor impaired	26,046,802	120,182	126,818,432	1,975,000	1,384,197	156,344,613
Balances past due but not impaired	-	-	1,382,161	-	-	1,382,161
Balances impaired	-	-	2,305,021	-	465,805	2,770,826
	<u>26,046,802</u>	<u>120,182</u>	<u>130,505,614</u>	<u>1,975,000</u>	<u>1,850,002</u>	<u>160,497,600</u>
Less: provisions						
Specific provisions	-	-	(342,891)	-	-	(342,891)
General provisions	-	-	(966,555)	-	-	(966,555)
Other provisions	-	-	-	-	(465,805)	(465,805)
	<u>-</u>	<u>-</u>	<u>(1,309,446)</u>	<u>-</u>	<u>(465,805)</u>	<u>(1,775,251)</u>
Net amount	<u>26,046,802</u>	<u>120,182</u>	<u>129,196,168</u>	<u>1,975,000</u>	<u>1,384,197</u>	<u>158,722,349</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

36 FINANCIAL RISK MANAGEMENT (continued)

36.3 Market risk

Market risk incurs when there are adverse movements of interest rate, exchange rate, gold price, stock price and commodity price in the market causing losses to the Bank. Market risk includes currency risk, interest rate risk, price risk and commodity risk.

36.3.1 Currency risk

Currency risk incurs due to adverse movements of foreign exchange rate, gold price whilst the Bank maintains an open foreign exchange, gold position. The Board of Management sets limits on the level of exposure by each currency and in total for both overnight and intra-day positions, which are monitored daily. The below table discloses the Bank's assets and liabilities in book value and by currencies.

As at 31 December 2023	VND	USD	EUR	Gold	Unit: VND million	
					Others	Total
Assets						
Cash on hand, gold, silver, precious metals	923,897	881,173	70,739	90,538	291,079	2,257,426
Balances with SBV	3,510,984	547,543	-	-	-	4,058,527
Placements with other credit institutions	14,525,891	16,222,717	41,677	-	12,236,608	43,026,893
Loans to customers (*)	126,568,061	13,805,479	71,098	1,484	2,802	140,448,924
Investment securities (*)	7,151,638	-	-	-	-	7,151,638
Long term investments	300,000	-	-	-	-	300,000
Fixed assets	3,656,740	-	-	-	-	3,656,740
Other assets (*)	2,904,602	37,834	233	5	(193)	2,942,481
Total assets	159,541,813	31,494,746	183,747	92,027	12,530,296	203,842,629
Liabilities						
Borrowings from SBV	19,870	-	-	-	-	19,870
Placements and borrowings from other credit institutions	12,247,132	4,116,669	34	-	34	16,363,869
Deposits from customers	148,659,508	7,161,079	152,506	-	680,959	156,654,052
Derivatives and other financial liabilities	(30,349,780)	19,191,130	27,023	-	11,362,449	230,822
Valuable papers in issue	2,000,000	-	-	-	-	2,000,000
Other liabilities	3,555,842	265,244	2,790	-	188,872	4,012,748
Capital and reserves	22,391,341	-	-	-	-	22,391,341
Total liabilities and equity	158,523,913	30,734,122	182,353	-	12,232,314	201,672,702
Foreign exchange gap on statement of financial position	1,017,900	760,624	1,394	92,027	297,982	2,169,927
Foreign exchange gap off-statement of financial position	-	(672,051)	-	(15,950)	(305,959)	(993,960)
Total currency gap	1,017,900	88,573	1,394	76,077	(7,977)	1,175,967

(*) These items do not include provisions.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

36 FINANCIAL RISK MANAGEMENT (continued)

36.3 Market risk (continued)

36.3.1 Currency risk (continued)

As at 31 December 2022	VND	USD	EUR	Gold	Unit: VND million	
					Others	Total
Assets						
Cash on hand, gold, silver, precious metals	963,670	644,402	69,159	140,364	308,268	2,125,863
Balances with SBV	5,018,300	566,241	-	-	-	5,584,541
Placements with other credit institutions	13,675,298	11,724,313	94,838	-	552,353	26,046,802
Derivatives financial instruments and other financial assets	10,935,765	(10,764,957)	-	-	(50,626)	120,182
Loans to customers (*)	120,274,541	10,128,215	86,159	13,752	2,947	130,505,614
Investment securities (*)	16,218,725	-	-	-	-	16,218,725
Long term investments	300,000	-	-	-	-	300,000
Fixed assets	3,247,153	-	-	-	-	3,247,153
Other assets (*)	3,019,559	59,421	546	50	7	3,079,583
Total assets	173,653,011	12,357,635	250,702	154,166	812,949	187,228,463
Liabilities						
Borrowings from SBV	24,261	-	-	-	-	24,261
Placements and borrowings from other credit institutions	6,631,445	5,261,516	32	-	33	11,893,026
Deposits from customers	141,071,165	6,888,784	234,262	-	619,805	148,814,016
Other liabilities	3,814,494	229,747	1,132	-	87,341	4,132,714
Capital and reserves	20,445,049	-	-	-	-	20,445,049
Total liabilities and equity	171,986,414	12,380,047	235,426	-	707,179	185,309,066
Foreign exchange gap on statement of financial position	1,666,597	(22,412)	15,276	154,166	105,770	1,919,397
Foreign exchange gap off-statement of financial position	-	58,863	(13,815)	-	(107,810)	(62,762)
Total currency gap	1,666,597	36,451	1,461	154,166	(2,040)	1,856,635

(*) These items do not include provisions.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

36 FINANCIAL RISK MANAGEMENT (continued)

36.3 Market risk (continued)

36.3.2 Interest rate risk

Interest rate risk incurs when there are adverse movements of interest rates in the markets, impacting to values of valuable papers, interest bearing financial instruments, interest rate derivatives in trading book of the Bank. The Bank manages interest rate risks by monitoring the level of interest rate mismatch by terms on a monthly basis. The table below summaries the Bank's exposure to interest rate risk at reporting date. The Bank's assets and liabilities are categorised by the earlier of contractual repricing or maturity dates.

As at 31 December 2023	Unit: VND million								Total
	Overdue	Non-interest bearing	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	
Assets									
Cash on hand, gold, silver, precious metals	-	2,257,426	-	-	-	-	-	-	2,257,426
Balances with SBV	-	-	4,058,527	-	-	-	-	-	4,058,527
Placements with other credit institutions	-	-	43,026,893	-	-	-	-	-	43,026,893
Loans to customers (*)	5,565,915	-	32,112,768	63,907,740	30,211,929	8,122,918	447,796	79,858	140,448,924
Investment securities (*)	75,000	212,868	-	451,729	1,000,000	2,500,000	800,000	2,112,041	7,151,638
Long-term investments	-	300,000	-	-	-	-	-	-	300,000
Fixed assets	-	3,656,740	-	-	-	-	-	-	3,656,740
Other assets (*)	465,805	2,476,676	-	-	-	-	-	-	2,942,481
Total assets	6,106,720	8,903,710	79,198,188	64,359,469	31,211,929	10,622,918	1,247,796	2,191,899	203,842,629
Liabilities									
Borrowings from SBV	-	-	-	2,054	17,816	-	-	-	19,870
Placements and borrowings from other credit institutions	-	-	16,363,869	-	-	-	-	-	16,363,869
Deposits from customers	-	-	59,432,345	32,289,918	41,532,245	21,259,217	2,140,327	-	156,654,052
Derivatives and other financial liabilities	-	215,685	-	5,017	10,120	-	-	-	230,822
Valuable papers in issue	-	-	-	-	500,000	1,500,000	-	-	2,000,000
Other liabilities	-	4,012,748	-	-	-	-	-	-	4,012,748
Total liabilities	-	4,228,433	75,796,214	32,296,989	42,060,181	22,759,217	2,140,327	-	179,281,361
On statement of financial position interest sensitivity gap	6,106,720	4,675,277	3,401,974	32,062,480	(10,848,252)	(12,136,299)	(892,531)	2,191,899	24,561,268
Off-statement of financial position interest sensitivity gap	-	-	-	-	-	-	-	-	-
Net interest gap	6,106,720	4,675,277	3,401,974	32,062,480	(10,848,252)	(12,136,299)	(892,531)	2,191,899	24,561,268

(*) These items do not include provisions.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

36 FINANCIAL RISK MANAGEMENT (continued)

36.3 Market risk (continued)

36.3.2 Interest rate risk (continued)

As at 31 December 2022	Overdue	Non-interest bearing	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Unit: VND million	
								Over 5 years	Total
Assets									
Cash on hand, gold, silver, precious metals	-	2,125,863	-	-	-	-	-	-	2,125,863
Balances with SBV	-	-	5,584,541	-	-	-	-	-	5,584,541
Placements with other credit institutions	-	-	25,846,802	200,000	-	-	-	-	26,046,802
Derivatives financial instruments and other financial assets	-	120,182	-	-	-	-	-	-	120,182
Loans to customers (*) (**)	3,687,182	-	30,256,366	62,859,596	19,729,422	11,814,230	2,111,308	47,510	130,505,614
Investment securities (*)	-	212,868	7,700,016	-	500,000	278,232	1,362,405	6,165,204	16,218,725
Long-term investments	-	300,000	-	-	-	-	-	-	300,000
Fixed assets	-	3,247,153	-	-	-	-	-	-	3,247,153
Other assets (*)	465,805	2,613,778	-	-	-	-	-	-	3,079,583
Total assets	4,152,987	8,619,844	69,387,725	63,059,596	20,229,422	12,092,462	3,473,713	6,212,714	187,228,463
Liabilities									
Borrowings from the Government and SBV	-	-	-	6,446	17,815	-	-	-	24,261
Placements and borrowings from other credit institutions	-	-	9,656,726	2,236,300	-	-	-	-	11,893,026
Deposits from customers	-	-	47,334,707	31,288,602	41,538,435	25,118,361	3,533,851	60	148,814,016
Other liabilities	-	4,132,714	-	-	-	-	-	-	4,132,714
Total liabilities	-	4,132,714	56,991,433	33,531,348	41,556,250	25,118,361	3,533,851	60	164,864,017
On statement of financial position interest sensitivity gap	4,152,987	4,487,130	12,396,292	29,528,248	(21,326,828)	(13,025,899)	(60,138)	6,212,654	22,364,446
Off-statement of financial position interest sensitivity gap	-	-	-	-	-	-	-	-	-
Net interest gap	4,152,987	4,487,130	12,396,292	29,528,248	(21,326,828)	(13,025,899)	(60,138)	6,212,654	22,364,446

(*) These items do not include provisions.

(**) Comparative figures are reclassified.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****36 FINANCIAL RISK MANAGEMENT (continued)****36.3 Market risk (continued)****36.3.3 Price risk**

Apart from assets and liability items that have been disclosed above, the Bank is not exposed to other market price risks which risk levels account for 5% of net profit or value of assets, liabilities account for 5% of total assets.

36.4 Liquidity risk

Liquidity risk is the risk that the Bank will not be able to fulfill its financial obligations as they fall due or will be able to fulfill its financial obligations as they fall due but at higher costs than the average market costs, as specified in the Bank's internal regulation.

Management of liquidity risk

The purpose of liquidity risk management is to ensure the availability of funds to meet financial obligations.

To minimise liquidity risk, the Bank mobilises from various sources other than the Bank's basic capital. At the same time, the Bank has an asset management policy with flexible liquidity, future cash flow monitoring and daily liquidity. The Bank also assesses the expected cash flow and availability of current collateral in case additional funding is required.

Liquidity risks are mainly mitigated through the Bank's holding a high proportion of assets as cash and cash equivalents in the form of demand deposits, deposits with the SBV, government-issued or government-guaranteed bonds, deposits and overnight loans to other credit institutions. The risk-weighted ratios are also used to manage the Bank's liquidity.

The table below analyses the Bank's financial assets and liabilities by relevant maturity groups based on the remaining period from the separate statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

36 FINANCIAL RISK MANAGEMENT (continued)

36.4 Liquidity risk (continued)

As at 31 December 2023	Unit: VND million								
	Overdue		Current					Over 5 years	Total
	Over 3 months	Up to 3 months	Up to 1 month	1-3 months	3-12 months	1-5 years			
Assets									
Cash on hand, gold, silver, precious metals	-	-	2,257,426	-	-	-	-	2,257,426	
Balances with SBV	-	-	4,058,527	-	-	-	-	4,058,527	
Placements with other credit institutions	-	-	43,026,893	-	-	-	-	43,026,893	
Loans to customers (*)	3,726,860	1,839,055	10,345,440	34,538,115	55,977,500	13,176,210	20,845,744	140,448,924	
Investment securities (*)	75,000	-	212,868	451,729	2,200,000	800,000	3,412,041	7,151,638	
Long-term investments	-	-	-	-	-	-	300,000	300,000	
Fixed assets	-	-	30	317	9,873	624,580	3,021,940	3,656,740	
Other assets (*)	465,805	-	827,446	171,177	301,060	1,150,808	26,185	2,942,481	
Total assets	4,267,665	1,839,055	60,728,630	35,161,338	58,488,433	15,751,598	27,605,910	203,842,629	
Liabilities									
Borrowings from SBV	-	-	-	2,054	17,816	-	-	19,870	
Placements and borrowings from other credit institutions	-	-	16,363,869	-	-	-	-	16,363,869	
Deposits from customers	-	-	59,432,345	32,289,918	62,791,462	2,140,327	-	156,654,052	
Derivatives and other financial liabilities	-	-	287,396	(65,350)	8,776	-	-	230,822	
Valuable papers in issue	-	-	-	-	2,000,000	-	-	2,000,000	
Other liabilities	-	-	1,528,457	1,213,514	1,042,877	227,900	-	4,012,748	
Total liabilities	-	-	77,612,067	33,440,136	65,860,931	2,368,227	-	179,281,361	
Net liquidity gap	4,267,665	1,839,055	(16,883,437)	1,721,202	(7,372,498)	13,383,371	27,605,910	24,561,268	

(*) These items do not include provisions.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

36 FINANCIAL RISK MANAGEMENT (continued)

36.4 Liquidity risk (continued)

Unit: VND million

As at 31 December 2022	Overdue		Current					Total
	Over 3 months	Up to 3 months	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	
Assets								
Cash on hand, gold, silver, precious metals	-	-	2,125,863	-	-	-	-	2,125,863
Balances with SBV	-	-	5,584,541	-	-	-	-	5,584,541
Placements with other credit institutions	-	-	25,846,802	200,000	-	-	-	26,046,802
Derivatives financial instruments and other financial assets	-	-	52,981	32,938	34,263	-	-	120,182
Loans to customers (*) (**)	2,346,660	1,340,522	9,215,639	29,014,460	50,241,561	14,933,614	23,413,158	130,505,614
Investment securities (*)	-	-	7,912,884	-	278,232	1,862,405	6,165,204	16,218,725
Long-term investments	-	-	-	-	-	-	300,000	300,000
Fixed assets	-	-	4	184	6,475	193,062	3,047,428	3,247,153
Other assets (*)	465,805	-	850,707	270,691	347,626	1,144,754	-	3,079,583
Total assets	2,812,465	1,340,522	51,589,421	29,518,273	50,908,157	18,133,835	32,925,790	187,228,463
Liabilities								
Borrowings from SBV	-	-	-	6,446	17,815	-	-	24,261
Placements and borrowings from other credit institutions	-	-	9,656,726	2,236,300	-	-	-	11,893,026
Deposits from customers	-	-	47,334,707	31,288,602	66,656,796	3,533,851	60	148,814,016
Other liabilities	-	-	1,413,633	1,167,139	1,321,690	230,252	-	4,132,714
Total liabilities	-	-	58,405,066	34,698,487	67,996,301	3,764,103	60	164,864,017
Net liquidity gap	2,812,465	1,340,522	(6,815,645)	(5,180,214)	(17,088,144)	14,369,732	32,925,730	22,364,446

(*) These items do not include provisions.

(**) Comparative figures are reclassified.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

37 SEGMENT REPORTING

Geographical segments

The Bank reports segment information by main regions in Vietnam as follows:

	Unit: VND million				
	Northern region	Central region	Southern region	Eliminations	Total
As at 31 December 2023					
Assets	34,236,338	19,086,952	161,447,321	(13,097,909)	201,672,702
Liabilities	33,930,260	18,688,570	139,760,440	(13,097,909)	179,281,361
For the year ended 31 December 2023					
Profit before tax	<u>306,078</u>	<u>398,382</u>	<u>1,991,956</u>	<u>-</u>	<u>2,696,416</u>
As at 31 December 2022					
Assets	34,013,191	19,026,600	152,182,137	(19,912,862)	185,309,066
Liabilities	33,407,678	18,660,626	132,708,575	(19,912,862)	164,864,017
For the year ended 31 December 2022					
Profit before tax	<u>605,513</u>	<u>365,974</u>	<u>2,736,204</u>	<u>-</u>	<u>3,707,691</u>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****38 MAJOR LITIGATION CASES**

As at 31 December 2023, the Bank had two major litigation cases included:

- a. The litigation from one customer in respect of the withdrawal from her saving deposits at Ho Chi Minh City Branch of the Bank. The customer's saving deposits amounted to VND245,060 million were misappropriated by the former Deputy Director of Ho Chi Minh City Branch ("Former Deputy Director").**

On 23 November 2018, the People's Court of Ho Chi Minh City issued the First Instance judgment on the case of Former Deputy Director's misappropriation of assets of the Bank. Total principal and interest being withdrawn from the saving deposits by the Former Deputy Director amounted to VND 245,060 million. Accordingly, the Bank had to repay to this customer including principal amounted to VND 245,060 and accumulated interests until 18 August 2018. In addition, the civil liability of the Former Deputy Director of Ho Chi Minh City Branch regarding indemnification obligation to the Bank will be determined when the Former Deputy Director is taken into custody.

The Bank then filed an appeal partly against the First Instance judgment regarding the civil liability of the Bank toward this customer on 7 December 2018. Furthermore, the customer also filed an appeal regarding the late payment of interests by the Bank according to the decision of the First Instance judgment as mentioned above. On 19 April 2019, the People's Court of Ho Chi Minh City issued the Appellate judgment. Accordingly, the People's Court did not accept the Bank's appeal to force this customer to bear part of the civil liability for the withdrawn deposits as aforementioned, and simultaneously accepted the customer's appeal that requested the Bank to repay unsettled interests at the interest rate applied to ordinary customers based on the interest rate notices as announced by the Bank, plus penalty interests on late settlements. The total interest amounted to VND 115,409 million.

As a result, the Bank did settle all principal deposits, interests and penalty interests to this customer. As at 31 December 2023, the Bank recorded receivables from the Former Deputy Director and fully made provision for the principal deposits, interests and penalty interests which the Bank settled to the customer correspondingly (Notes 11.1 (ii)).

- b. The litigation from 6 customers in respect of the withdrawal of saving deposits at Do Luong Transaction Office – Vinh Branch of the Bank. The case involved fraudulent acts of a former employee of Do Luong Transaction Office – Vinh Branch of the Bank.**

On 16 July 2018, the People's Court of Nghe An Province issued the First Instance judgment No. 86/2018/HS-ST against this litigation. Accordingly, the former employee of Do Luong Transaction Office – Vinh Branch had to return VND41,259 million to the Bank and the Bank had responsibilities to settle saving deposits to six customers in this litigation. Accordingly, the Bank was entitled to collect VND6,950 million from two of the six customers, VND13,500 million from another three individuals involved in the case and to distraint assets of the former employee of Do Luong Transaction Office – Vinh Branch, including a land use right at Vinh City, Nghe An Province.

As at 31 December 2023, the Bank recorded receivables from the former employee and fully made provisions amounted to VND21,681 million (as at 31 December 2022: VND21,681 million) corresponding to the principal deposits, interests and penalty interests which the Bank settled to these six customers (Notes 11.1(ii)).

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

39 EVENTS AFTER THE SEPARATE STATEMENTS' DATE

There is no matter or circumstance that has arisen after the reporting date that requires adjustment or disclosure in the separate financial statements.

The separate financial statements were approved by the Board of Management on 28 March 2024.

 _____ Trung Hoang Tin Preparer	 _____ La Quang Trung Chief Accountant	 _____ Nguyen Hoang Hai Acting General Director Authorised signatory	 _____ 
---	--	--	---