



HO CHI MINH CITY DEVELOPMENT JOINT STOCK COMMERCIAL BANK

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FOURTH QUARTER OF 2024

For the period from 1 January 2024 to 31 December 2024

Ho Chi Minh City Development Joint Stock Commercial Bank

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Ho Chi Minh City Development Joint Stock Commercial Bank

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At as 31 December 2024

Form B02a/TCTD-HN
(issued under Circular No.
27/2021/TT- NHNN dated 31 December 2021)

		31 December 2024	31 December 2023
	Notes	VND million	VND million
ASSETS			
Cash and gold		3,105,355	2,810,044
Balances with the State Bank of Vietnam		26,680,270	41,481,638
Due from and loans to other credit institutions		101,600,254	96,514,863
Due from other credit institutions		94,225,901	88,120,085
Loans to other credit institutions		7,374,353	8,394,778
Provision for loans to other credit institutions (*)		-	-
Securities held for trading	V.01	21,955,775	18,580,932
Securities held for trading		21,955,775	18,580,932
Provision for securities held for trading (*)		-	-
Derivatives and other financial assets	V.02	-	110,079
Loans to customers		436,606,237	339,349,838
Loans to customers	V.03	442,484,841	343,404,295
Provision for credit losses of loans to customers (*)	V.04	(5,878,604)	(4,054,457)
Purchased debts		-	-
Purchased debts		-	-
Provision for credit losses of purchased debts (*)		-	-
Investment securities	V.05	48,751,284	44,092,289
Available-for-sale securities		31,407,524	31,871,688
Held-to-maturity securities		17,436,610	12,304,873
Provision for investment securities (*)		(92,850)	(84,272)
Long-term investments	V.06	857,544	143,781
Investments in subsidiaries		-	-
Investments in joint ventures		-	-
Investments in associates		726,080	-
Other long-term investments		146,546	163,921
Provision for long-term investments (*)		(15,082)	(20,140)
Fixed assets		1,765,927	1,422,759
<i>Tangible fixed assets</i>		<i>887,455</i>	<i>713,141</i>
Cost		1,983,500	1,702,786
Accumulated depreciation (*)		(1,096,045)	(989,645)
<i>Finance leases</i>		-	-
Cost		-	-
Accumulated depreciation (*)		-	-
<i>Intangible fixed assets</i>		<i>878,472</i>	<i>709,618</i>
Cost		1,291,428	1,076,187
Accumulated amortisation (*)		(412,956)	(366,569)

Ho Chi Minh City Development Joint Stock Commercial Bank

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At as 31 December 2024

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	<i>Notes</i>	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
Investment properties		-	-
Cost		-	-
Accumulated depreciation (*)		-	-
Other assets		55,958,160	57,808,636
Receivables		48,393,565	48,942,933
Interest and fees receivable		5,304,263	6,602,101
Deferred corporate income tax assets	V.12.2	72,470	76,708
Other assets		2,234,788	2,233,415
<i>In which: Goodwill</i>		-	-
Provision for other assets (*)		(46,926)	(46,521)
TOTAL ASSETS		697,280,806	602,314,859

Ho Chi Minh City Development Joint Stock Commercial Bank

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At as 31 December 2024

Form B02a/TCTD-HN
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	<i>Notes</i>	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
LIABILITIES			
Debts to the Government and State Bank	V.07	15,434	26,590
Due to and borrowings from the Government and the State Bank of Vietnam		15,434	26,590
Transactions for the sale and repurchase of Government bonds with the State Treasury		-	-
Due to and borrowings from other credit institutions	V.08	99,460,579	112,086,978
Due to other credit institutions		74,877,046	62,597,686
Borrowings from other credit institutions		24,583,533	49,489,292
Due to customers	V.09	437,505,165	370,777,888
Derivatives and other financial liabilities	V.02	18,449	-
Grants, entrusted funds and loans exposed to risks		2,788,443	2,811,129
Valuable papers issued	V.10, 13.2	81,349,745	50,938,148
Other liabilities	V.11	19,485,490	19,273,804
Interests and fees payable		8,013,166	10,346,499
Deferred corporate income tax liabilities	V,12.2	-	-
Other payables		11,472,324	8,927,305
Other provision (for contingent liabilities and off-balance sheet commitments)		-	-
TOTAL LIABILITIES		640,623,305	555,914,537
OWNERS' EQUITY			
Capital		35,224,020	29,198,918
Charter capital		35,101,423	29,076,321
Fund for capital expenditure		89	89
Share premium		535,956	535,956
Treasury shares (*)		(413,448)	(413,448)
Preference shares		-	-
Other owners' capital		-	-
Reserves		6,313,202	4,708,243
Foreign exchange differences		-	-
Asset revaluation differences		-	-
Retained earnings		12,954,121	10,561,698
Non-controlling interest		2,166,158	1,931,463
TOTAL OWNERS' EQUITY	V.13.1	56,657,501	46,400,322
TOTAL LIABILITIES, OWNERS' EQUITY AND NON-CONTROL INTERESTS		697,280,806	602,314,859

Ho Chi Minh City Development Joint Stock Commercial Bank

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At as 31 December 2024

Form B02a/TCTD-HN
(issued under Circular No.
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OFF-BALANCE SHEET ITEMS

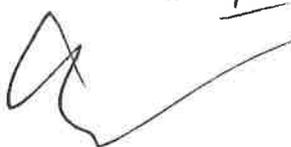
Notes	31 December	31 December
	2024	2023
	VND million	VND million
Credit guarantees	808,743	809,436
Foreign exchange commitments	199,138,079	259,213,350
- Spot foreign exchange commitments - buy	6,816,847	4,293,490
- Spot foreign exchange commitments - sell	8,977,349	4,542,374
- Cross currency swap contracts	183,343,883	250,377,486
- Future contracts	-	-
Irrevocable lending commitments	-	-
Letters of credit	46,476,948	2,191,087
Other guarantees	24,924,802	15,548,620
Other commitments	12,364,361	5,318,378
Interest income and fee receivables not yet collected	3,336,440	2,364,349
Bad debts written-off	20,134,777	15,584,338
Other assets and documents	47,589,161	27,061,445
Total	354,773,311	328,091,003

Prepared by:



Ms. Huynh Thi Nga
Accountant

Reviewed by:



Ms. Ho Dang Hoang Quyen
Chief Accountant

Approved by:



Mr. Pham Van Dau
Chief Financial Officer

Ho Chi Minh City, Vietnam

24 January 2025

Ho Chi Minh City Development Joint Stock Commercial Bank

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the period from 1 January 2024 to 31 December 2024

Form B03a/TCTD-HN
(issued under Circular No.
27/2021/TT- NHNN dated 31 December 2021)

	Notes	Fourth quarter		Accumulate form 1st January to end of period	
		Current period VND million	Previous period VND million	Current period VND million	Previous period VND million
Interest and similar income	VI.14	15,148,773	15,559,459	57,994,845	52,640,577
Interest and similar expenses	VI.15	(6,946,053)	(8,086,956)	(27,138,452)	(30,456,603)
Net interest and similar income		8,202,720	7,472,503	30,856,393	22,183,974
Fee and commission income		961,068	825,654	3,295,965	2,830,168
Fee and commission expenses		(537,589)	(233,870)	(1,879,045)	(642,366)
Net fee and commission income		423,479	591,784	1,416,920	2,187,802
Net gain/(loss) from trading of foreign currencies		234,621	283,333	843,813	564,703
Net (loss)/gain from securities held for trading	VI.16	6,162	(92,086)	68,929	41,723
Net gain from investment securities	VI.17	141,619	111,106	68,253	1,167,005
Other operating income		458,422	149,716	869,862	541,644
Other operating expenses		(64,873)	(258,697)	(163,991)	(282,491)
Net gain from other operating activities		393,549	(108,981)	705,871	259,153
Income from investments in other entities	VI.18	45,980	-	68,004	9,325
Operating expenses	VI.19	(3,540,462)	(2,630,124)	(11,975,958)	(9,129,202)
Net operating profit before provision for credit losses		5,907,668	5,627,535	22,052,225	17,284,483
Provision expenses for credit losses		(1,831,864)	(1,242,405)	(5,321,434)	(4,267,751)
Profit before tax		4,075,804	4,385,130	16,730,791	13,016,732
Current corporate income tax expense		(833,194)	(981,425)	(3,478,665)	(2,724,629)
Deferred corporate (expense)/income tax		(5,382)	43,910	(4,238)	43,910
Corporate income tax expenses		(838,576)	(937,515)	(3,482,903)	(2,680,719)
Profit after tax		3,237,228	3,447,615	13,247,888	10,336,013
<i>In which:</i>					
Common shareholders of the Bank		3,114,654	3,343,895	12,763,193	10,070,898
Non-controlling interest		122,574	103,720	484,695	265,115
Basis earning per share (VND/share)				3,671	2,899

Prepared by:



Ms. Huynh Thi Nga
Accountant

Reviewed by:



Ms. Ho Dang Hoang Quyen
Chief Accountant

Approved by:



Mr. Pham Van Dau,
Chief Financial Officer

Ho Chi Minh City, Vietnam

24 January 2025

Ho Chi Minh City Development Joint Stock Commercial Bank

CONSOLIDATED CASH FLOW STATEMENT
for the period from 1 January 2024 to 31 December 2024

Form B04a/TCTD-HN
(issued under Circular No.
27/2021/TT- NHNN dated 31 December 2021)

<i>Notes</i>	<i>Current period VND million</i>	<i>Previous period VND million</i>
Cash flows from operating activities		
Interest income and similar receipts	58,854,745	50,951,284
Interest expenses and similar payments	(29,501,519)	(25,602,661)
Net fee and commission receipts	1,689,129	2,596,238
Net receipts from trading of securities, gold and foreign currencies	1,428,830	1,654,834
Other income	285,759	88,876
Recoveries from bad debts written-off previously	333,105	290,855
Payments to employees and other operating expenses	(11,109,821)	(8,980,790)
Corporate income tax paid during the period	(4,466,687)	(2,241,447)
V.12.1		
Net cash flows from operating profit before changes in operating assets and liabilities	17,513,541	18,757,189
Changes in operating assets		
(Increase)/decrease in due from and loans to other credit institutions	1,020,425	415,052
(Increase)/decrease in trading securities	5,473,554	(12,165,396)
(Increase)/decrease in derivatives and other financial assets	110,079	(110,079)
(Increase)/decrease in loans to customers	(99,080,546)	(79,547,912)
Utilization of provision to write-off loans to customers, securities and long-term investments	(3,497,287)	(3,314,867)
(Increase)/decrease in other assets	160,632	(15,246,357)
Changes in operating liabilities		
Increase/(decrease) in due to Government and the State Bank of Vietnam	(11,156)	(10,794,668)
Increase/(decrease) in due to and borrowings from other credit institutions	(12,626,399)	19,433,778
Increase/(decrease) in due to customers	66,727,277	154,980,714
Increase/(decrease) in valuable papers issued	30,411,597	6,776,508
Increase/(decrease) in grants, entrusted funds and loans exposed to risks	(22,686)	(49,026)
Increase/(decrease) in derivatives and other financial liabilities	18,449	(226,480)
Increase/(decrease) in other liabilities	2,563,073	1,778,906
Utilization of funds	(18,159)	(30,315)
Net cash used in operating activities	8,742,394	80,657,047

Ho Chi Minh City Development Joint Stock Commercial Bank

CONSOLIDATED CASH FLOW STATEMENT
for the period from 1 January 2024 to 31 December 2024

Form B04a/TCTD-HN
(issued under Circular No.
27/2021/TT- NHNN dated 31 December 2021)

<u>Notes</u>	<u>Current period VND million</u>	<u>Previous period VND million</u>
Cash flows from investing activities		
Purchase of fixed assets	(541,148)	(273,923)
Proceeds from disposal of fixed assets	1,764	753
Payment for disposal of fixed assets	-	-
Purchase of investment properties	-	-
Proceeds from disposal of investment properties	-	-
Payment for disposal of investment properties	-	-
Payments for investments in other entities	-	-
Proceeds from disposal of investments in other entities	(658,075)	-
Dividends received from long-term investments	17,375	9,325
	<u>(1,180,084)</u>	<u>(263,845)</u>
Net cash from investing activities		
Cash flows from financing activities		
Increase in charter capital from capital contribution and share issuance	200,000	-
Proceeds from issuing long term valuable papers eligible to be included in capital and other long-term borrowings	-	-
Proceeds from disposals of long-term valuable papers eligible to be included in capital and other long-term borrowings	-	-
Dividends distributed to shareholders	(2,912,551)	(2,515,261)
Purchase of treasury shares	-	-
Proceeds from disposal of treasury shares	-	-
	<u>(2,712,551)</u>	<u>(2,515,261)</u>
Net cash from financing activities		
	<u>(2,712,551)</u>	<u>(2,515,261)</u>
Net cash flows for the period	<u>4,849,759</u>	<u>77,877,941</u>
Cash and cash equivalents at the beginning of the period	<u>132,411,767</u>	<u>54,533,826</u>
Foreign exchange difference	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the period	<u>137,261,526</u>	<u>132,411,767</u>

Prepared by:



Ms. Huynh Thi Nga
Accountant

Reviewed by:



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Chief Accountant

Approved by:



Mr. Pham Van Dau
Chief Financial Officer

Ho Chi Minh City, Vietnam

24 January 2025

Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
for the period from 1 January 2024 to 31 December 2024

Form B05a/TCTD-HN
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I. GENERAL INFORMATION

1. Establishment and Operations, Term of operation

Ho Chi Minh City Development Joint Stock Commercial Bank ("the Bank") is a joint stock commercial bank incorporated in the Socialist Republic of Vietnam.

The Bank was established and operates in accordance with Decision No. 47/QĐ-UB issued by the People's Committee of Ho Chi Minh City on 11 February 1989 and initial Banking License No. 00019/NH-GP issued by the State Bank of Vietnam ("the SBV") on 6 June 1992 and replaced by Banking License No.26/GP-NHNN issued by the State Bank of Vietnam on 12 February 2020 and Decisions amending and supplementing the Establishment and Operation License No.26/GP-NHNN on 12 February 2020. The operation term of the Bank is 99 years from the date of the first license.

The Bank's principal activities are to provide banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; making short, medium and long-term loans to organizations and individuals based on the nature and capability of the Bank's capital resources; conducting foreign currency transactions; providing international trade finance services, discounting of commercial notes, bonds and valuable papers; settlement services and other banking services as allowed by the SBV.

2. Charter capital

The charter capital of the Bank as at 31 December 2024 is VND35,101,423 million (as at 31 December 2023: VND29,076,321 million).

3. The Board of Directors

The members of the Board of Directors of the Bank during the period and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/re-appointment/Resignation</i>
Mr. Kim ByoungHo	Chairman, Independent Member	Appointment on 29 April 2022
Ms. Nguyen Thi Phuong Thao	Standing Vice Chairwoman	Re-appointment on 29 April 2022
Mr. Luu Duc Khanh	Vice Chairman	Re-appointment on 29 April 2022
Mr. Nguyen Thanh Do	Vice Chairman	Re-appointment on 29 April 2022
Mr. Nguyen Huu Dang	Vice Chairman	Resignation on 08 January 2025
Mr. Le Manh Dung	Independent Member	Appointment on 29 April 2022
Mr. Pham Quoc Thanh	Member	Appointment on 26 April 2023

Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
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4. The Board of Management, Chief Financial Officer and Chief Accountant

The members of the Board of Management, Chief Financial Officer and Chief Accountant of the Bank during the period and at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/re-appointment/Resignation</i>
Mr. Pham Quoc Thanh	Chief Executive Officer	Appointed on 2 April 2020
Mr. Nguyen Minh Duc	Deputy Chief Executive Officer	Re-appointed on 1 August 2022
Mr. Le Thanh Tung	Deputy Chief Executive Officer	Appointed on 16 September 2009
Mr. Nguyen Van Hao	Deputy Chief Executive Officer	Re-appointed on 2 October 2023
Mr. Nguyen Dang Thanh	Deputy Chief Executive Officer	Re-appointed on 9 July 2023
Mr. Tran Hoai Nam	Deputy Chief Executive Officer	Re-appointed on 27 February 2022
Mr. Tran Thai Hoa	Deputy Chief Executive Officer	Re-appointed on 26 May 2024
Mr. Nguyen Canh Vinh	Deputy Chief Executive Officer	Re-appointed on 1 November 2023
Mr. Tran Xuan Huy	Deputy Chief Executive Officer	Resignation on 15 January 2025
Mr. Le Thanh Trung	Deputy Chief Executive Officer	Resignation on 16 December 2024
Mr. Pham Van Dau	Chief Financial Officer	Appointed on 16 September 2009
Ms. Ho Dang Hoang Quyen	Chief Accountant	Appointed on 7 July 2011

5. Operation network

The Bank's Head Office is located at HD Tower, 25 Bis Nguyen Thi Minh Khai Street, Ben Nghe Ward, District 1, Ho Chi Minh City. As at 31 December 2024, the Bank had one (1) Head Office, one (1) representative office in the North; one (1) representative office in Myanmar, eighty-three (83) branches and two hundred and eighty-five (285) transaction offices located in cities and provinces throughout Vietnam.

6. Subsidiary

As at 31 December 2024, the Bank had one (1) subsidiary:

<i>Subsidiary</i>	<i>Operating License No.</i>	<i>Nature of business</i>	<i>Ownership of the Bank</i>
HD SAISON Finance Co., Ltd. ("HD SAISON"), previously known as Ho Chi Minh City Development Joint Stock Commercial Bank Finance Co., Ltd.	0304990133 dated 13 July 2007 issued by Ho Chi Minh city Department of Planning and Investment, amended for sixteenth (16) time on 20 June 2022	Finance/ Banking	50%

7. Employees

The Bank and its subsidiary's total number of employees as at 31 December 2024 was 18,533 persons (as at 31 December 2023 was 17,345 persons).

Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
for the period from 1 January 2024 to 31 December 2024

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II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1 Accounting period

The Bank and its subsidiary's fiscal year starts on 1 January and ends on 31 December.

The fourth quarter accounting period applicable for the presentation of consolidated financial statements of the Bank and its subsidiary starts on 1 October and ends on 31 December.

2 Accounting currency

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

III. APPLIED ACCOUNTING STANDARDS AND SYSTEM

1 Statement of compliance

The Board of Management of the Bank confirms that the accompanying consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements.

2 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the consolidated financial statements applicable to credit institutions operating in Vietnam. The consolidated financial statements have been prepared under the historical cost convention.

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

Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
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3 Assumptions and uses of estimates

The preparation of the consolidated financial statements is in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and applicable regulations on preparation and presentation of consolidated financial statements applicable to credit institutions operating in Vietnam require the Board of Management make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities and contingent assets at the end of period, such as income and expense amount during the accounting period.

Estimates and assumptions that have a material effect on the consolidated financial statements include:

- Classification and provision for credit losses of loans to customers;

Estimates and assumptions are regularly evaluated based on past experience and other factors, including future assumptions that have a material effect on the Bank and its subsidiary's consolidated financial statements and considered by the Board of Management to be fair.

4 Basis of consolidation

The consolidated financial statements include the financial statements of HDBank and the financial statements of its subsidiary (HDSaison Finance Company Limited).

The financial statements of the subsidiary used for consolidation are prepared for the same reporting period as the parent bank, using consistent accounting policies.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1 Foreign currency transactions

In accordance with the accounting system of the Bank and its subsidiary, all transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the balance sheet date. Income and expenses arising in foreign currencies during the year are converted into VND at rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities are recognised and followed in the "*Foreign exchange differences*" under "*Owners' Equity*" section and will be transferred to the consolidated income statement at the end of the financial year.

2. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Bank. The control exists when the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing the control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that the control commences until the date that the control ceases.

Inter-company balances, transactions and profit/loss on transactions between those subsidiaries and the Bank are eliminated in full in the consolidated financial statements. The accounting policies of subsidiaries have been changed if necessary to ensure the consistency with the policies adopted by the Bank.

Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
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Non-controlling transactions and interests

The Bank and its subsidiary apply a policy for transactions with non-controlling interests as transactions with external parties to the Group. Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

A divestment of the Bank's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Bank's share of net assets of the subsidiary and any consideration paid or received from divestment of the Bank's interest in the subsidiary is recorded directly in the undistributed earnings under equity.

In a divestment of the Bank's interest in a subsidiary that result in a loss of control, the difference between the Bank's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or an investment to be accounted for as equity since the divestment date.

Associate

Associate company is a company in which the Bank has significant influence but does not control, typically represented by holding 20% to 50% of the voting rights in that company. Investments in associate companies are accounted for using the equity method and initially recognized at cost.

The Bank's share of the results of operations of the associate company is recognized in the Bank's consolidated income statement. Cumulative changes after the investment in the associate company are adjusted to the carrying amount of the investment. When the Bank's share of the losses of the associate company equals or exceeds the carrying amount of the investment, the Bank does not continue to recognize further losses in the consolidated financial statements unless the Bank has an obligation to make payments on behalf of the associate company for debts that the Bank has guaranteed or committed to pay. In such cases, the value of the investment presented in the financial statements is zero (0). If the associate company subsequently becomes profitable, the Bank recognizes its share of the profits only after offsetting the previously unrecognized net losses.

The accounting policies of the associate company are adjusted when necessary to ensure consistency with the accounting policies adopted by the Bank and its subsidiaries.

3. Derivatives and hedging accounting

Derivatives are recognised in the consolidated 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 consolidated income statement. Unrealised gains or losses are recognised in the foreign exchange differences item in the consolidated statement of financial position at the month end and are transferred to the income statement at the year end.

4. Income and expenses recognition

Interest income

Interest income is recognised in the consolidated income statement on an accrual basis, over time and at effective interest rate for each year 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 when a loan becomes overdue or is not classified as Current loan or is subject to the application of Circular 03/2021, Circular 14/2021 or the application of Circular 02/2023 and Circular 06/2024, interest income from these loans is recognised in the consolidated income statement upon receipts.

Ho Chi Minh City Development Joint Stock Commercial Bank

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
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Other income from credit activities

Other income from credit activities primarily comprises fees such as loan withdrawal commitment fees, standby credit limit fees, early repayment fees, and other fees associated with credit activities, which is recognised when the completion of the work as per the agreed-upon work under the contract/agreement can be reliably determined at the date of preparation of the consolidated financial statements.

Fee and commission income

Fee and commission income comprises fee income from insurance agency services, bonds services, settlement services, treasury services and other services that are recognised on an accrual basis in the consolidated income statement when the services rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Fee and commission income is only recognised when all four (4) of the following conditions are satisfied:

- The amount of income 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
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Income from investing activities

Gain and loss from investment securities is determined based on the difference between the selling price and the cost of such securities.

Dividend income

Income from dividends is recognised when the Bank has the ability to receive economic benefits from the transaction and the income can be reliably measured. Income from dividends is recognised when the Bank and its subsidiary has established receiving rights from investees. Stock dividends and bonus shares received are not recognised as income of the Bank, but only the number of shares is updated.

Other income

Other income is recognised when the results of the agreed-upon work under the contract can be reliably determined and is recorded based on the completion of the work.

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 consolidated income statement upon receipt.

Interest expenses

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

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5. Accounting for loans to customers and purchased debts

5.1 Accounting for loans to customers

Measurement and recognition of loans to customers

Short-term loans are loans with term of less than one year from the date of disbursement. Medium-term loans have term of one to five years from the date of disbursement. Long-term loans are loans with term of over 5 years from the date of disbursement.

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

Classification of loans to customers

The Bank and its subsidiary classify loans and make provisions for credit losses are made in accordance with Circular 31/2024/TT-NHNN dated 30 June 2024 ("Circular 31"). This Circular replaces Circular 11/2021/TT-NHNN and is effective from 1 July 2024.

In accordance with Circular 31, loans to customers are classified into 5 groups according to collection status and quantitative method, details as follows:

Group 1: Current loans

- (a) Current loans are assessed as fully and timely recoverable for both principals and interests; or
- (b) Loans are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests; 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 are 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 of risk and those classified into a group with higher level of risk as prescribed.
- (c) Loans classified into group 2 as meeting criteria to be classified into a group with lower level of risk or loans classified into group with higher level of risk as prescribed.

Group 3: Sub-standard loans

- (a) Loans are overdue for a period of between 91 days and 180 days; except those prescribed in clause 3 of Article 10 of Circular 31; or
- (b) Loans with first-time extend repayment term that are unmatured, except those prescribed in point (b) of clause 2, clause 3 of Article 10 of Circular 31; 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 31; or
- (d) Loans under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision:

- Loans made in compliance with Clauses 1, 3, 4, 5, 6 Article 134 of the Law on Credit

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Institutions; or

- Loans made in compliance with Clauses 1, 2, 3, 4 Article 135 of the Law on Credit Institutions; or
 - Loans made in compliance with Clauses 1, 2, 5 of Article 136 of the Law on Credit Institutions.
- (e) Loans are required to be recovered according to regulatory inspection conclusions; or
- (f) Loans are required to be recovered according to the Bank's decisions on early payment due to customers' breach of agreements but have not yet been recovered in 30 days from the issuance date of the decision; or
- (g) Loans that are classified into group 3 as prescribed in clause 2, clause 3 of Article 10 of Circular 31; or
- (h) Loans that are classified into Group 3 as stipulated in Clause 4, Article 8 of Circular 31.

Group 4: Doubtful loans

- (a) Loans are overdue for a period of between 181 days and 360 days, except those prescribed in clause 3 of Article 10 of Circular 31; or
- (b) Loans with the 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 31;
- (c) Loans with second-time rescheduled repayment terms that are unmaturing, except those prescribed in point (b) of clause 2, clause 3 of Article 10 of Circular 31; or
- (d) Loans are specified in point (d) of Sub-standard loans and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or
- (e) Loans are required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection conclusions.
- (f) Loans are required to be recovered according to the Bank's decisions on early payment due to customers' breach of agreements but have not yet been recovered for a period between 30 days to 60 days from the issuance date of the decision; or
- (g) Loans that are classified into group 4 as prescribed in clause 2, clause 3 of Article 10 of Circular 31; or
- (h) Loans that are classified into group 3 as prescribed in clause 4 of Article 8 of Circular 31.

Group 5: Loss loans

- (a) Loans are overdue for a period of more than 360 days; or
- (b) Loans of which the repayment terms are restructured for the first time and overdue for a period of 91 days or more under the first restructured repayment term; or
- (c) Loans that repayment terms are restructured for the second time and overdue under that second restructured repayment term; 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 31; or
- (e) Loans are specified in point (d) of Sub-standard loans and overdue for a period of more than

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- 60 days after decisions on recovery have been issued; or
- (f) Loans required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period over 60 days since the recovery date as required by regulatory inspection conclusion; or
 - (g) Loans are required to be recovered according to the Bank's decisions on early payment due to customers' breach of agreements but have not yet been recovered for a period of more than 60 days from the issuance date of the decision; or
 - (h) Loans of credit institutions under special control as announced by the SBV, or loans of foreign bank branches that capital and assets are blocked; or
 - (i) Loans that are classified into group 5 as prescribed in clause 3 of Article 10 of Circular 31; or
 - (j) Loans that are classified into group 5 as prescribed in clause 4 of Article 8 of Circular 31.

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

Restructured loans

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

For debts that are exempt or reduced in interest according to the regulations of the SBV on restructuring the repayment term, exempting or reducing interest and fees, and maintaining the debt group to support customers affected by the Covid-19 pandemic:

- Customers have made full repayment of the principal and interest for at least 3 (three) months in respect of long and medium-term loans and 1 (one) month in respect of short-term loans, since the date starts fully repaying the principal or interest of the nearest repayment term after the customer is no longer exempted or reduced in interest; in case the principal and interest have the same repayment term, it is calculated from the date the customer start fully repaying the principal and interest of the nearest repayment term after the customer is no longer exempted or reduced in interest;
- There are documents and records proving that the customer has repaid the debt;
- The Bank has sufficient basis of information and documents to assess and conclude that customers are capable of fully repaying the principals and the interest in a timely manner.

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

- Norms on profitability, solvency, ratio of loans to capital, cash flows, capability of customers to pay loans 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 (one) 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 and its subsidiary are required to use the 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 its subsidiary and provided by CIC.

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

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

Provision for losses on loans to customers

Provision for losses on loans to customers includes specific provisions and general provisions.

Specific provisions

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

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

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

Maximum discounted ratios of collateral assets determined in accordance with Circular 31 are as follows:

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Type of collateral assets	Maximum discounted ratio
(a) Deposit, certificates of deposit from customers in VND at the Bank.	100%
(b) Government bonds, gold billets in accordance with law on gold trading activities; deposit, certificate of deposit from customers in foreign currencies at the Bank.	95%
(c) Municipal bonds, Government-guaranteed bonds; transferable instruments, bill and notes, bonds issued by the Bank; deposit, certificate of deposit, bills and notes issued by other credit institutions, foreign bank 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 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%

If collateral assets are not gold bars, listed securities, stocks registered for trading 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 Exchange, promissory notes, treasury bills, certificates of deposit issued by enterprises (including credit institutions, foreign bank branches), then the Bank and its subsidiary must hire legally licensed valuers to determine collateral amounts to be used as deduction for calculation of specific provisions at the financial year end in these following cases:

- Collateral assets with value above VND50 billion against loans to the Bank and its subsidiary 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 and its subsidiary values above VND200 billion.

Other than these cases, collateral assets are valued in accordance with The Bank and its subsidiary internal policy and process.

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

General provisions

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

Write-off bad debts

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

- Customer is an organization, which is dissolved, goes bankrupt as prescribed by law 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 recovery of the Bank's Credit Committee have been implemented but debts are still irrevocable, the Bank shall be entitled to release the unsettled debts from the off-balance sheet accounts in accordance with the approval of the Bank's Credit Committee.

(*) According to the Law on Credit Institutions No. 32/2024/QH15 issued by the National Assembly on 18 January 2024 and Circular 21/2024/TT-NHNN issued by the State Bank of Vietnam on 28 June 2024, regulating the operations of letters of credit and other related business activities, from 1 July 2024, the letter of credit operations are defined as a form of credit extension through the issuance, confirmation, negotiation, payment, and reimbursement of letters of credit (except for the repurchase of documents issued by the Bank itself). For balances related to the business of issuing deferred payment letters of credit with terms of sight payment or advanced payment arising before the effective date of the regulations but still outstanding at the end of the year, the Bank has accounted for them in accordance with these regulations.

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5.2 ***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' request and the Bank and its subsidiary financial capacity.

On 18 June 2024, SBV issued Circular 06/2024/TT-NHNN ("Circular 06/2024") on amending and supplementing Circular 02/2023, extending the implementation time of policies at Circular 02/2023 until 31 December 2024.

According to Circular 02/2023 and Circular 06/2024, The Bank and its subsidiary restructures repayment term 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 31 December 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 and its subsidiary determines that the 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 the repayment of principal and/or interest plan under the contract or agreement.
- The customers applies for loan restructuring and the Bank and its subsidiary determines that the customer is able to fully repay the principal and/or pay interest under the restructured by the Bank;
- Loan violates law and regulations shall not be restructured by the Bank and its subsidiary;
- The restructured term (including loan extension) is decided in conformity with 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 and Circular 06/2024 is carried out from 24 April 2023 until 31 December 2024.

Detail of loan classification and loan group retention:

The Bank and its subsidiary retains the loan group for the loan whose principal and/or interest has been restructured ("restructured loan") at the least classification before the loan was restructured in accordance with Circular 31.

- For restructured loans that are undue during the restructure period, the Bank and its subsidiary does not apply to adjust, reclassify into a group with higher level of risk as prescribed in Circular 31;
- For restructured loans that are overdue during the restructured period and the Bank and its subsidiary does not continue to apply loan restructuring as prescribed in Circular 02/2023 and Circular 06/2024, the Bank and its subsidiary shall classify those restructured loans in accordance with Circular 31;

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- For the interest receivables on loans with principal and/or interest which are restructured repayment terms and are retained the loan group as current loans (group 1) as prescribed in Circular 02/2023 and Circular 06/2024, the Bank and its subsidiary derecognizes their accrued interest and recognizes them as off-balance sheet items for following up and collection from the restructured date. Interest income for these loans is recognized in the income statement upon receipt.

5.3. Provision for losses on loans to customers

5.3.1 Provision for losses on loans to customers whose principal and/or interest are restructured in accordance with Circular 02/2023 and Circular 06/2024

From 24 April 2023, the Bank and its subsidiary makes provision for losses on loans to customers whose loans are restructured as prescribed by Circular 02/2023 and Circular 06/2024 as follows:

Additional specific provision shall be determined as follows:

Additional specific provision = A – B

In which:

- A: Specific provision made for all the outstanding loans of customers according to loan classification regulated by Circular 31.
- B: Specific provision made for all outstanding loans of customers according to loan classification regulated by Circular 02/2023 and Circular 06/2024.

If the aforementioned additional specific provisions is positive, the Bank and its subsidiary makes additional specific provision for credit losses as follows:

- By 31 December 2023: At least 50% of additional specific provision;
- By 31 December 2024: 100% of additional specific provision.

As at 31 December 2023, the Bank made 100% of additional specific provision.

The Bank and its subsidiary make general provision for losses from loans classification regulated by Circular 31.

5.3.2 Provision for losses on loans to customers whose principal and/or interest are restructured in accordance with Circular 53/2024

- a. The specific provision is made for the entire outstanding loans of the customer according to the loan classification results for the portion of the outstanding loans that is retained in the same loan group and according to the loan classification results for the remaining outstanding loans of the customer as per the loan classification regulations of Circular 31.
- b. Determine the specific provision amount to be made for the entire outstanding loans of the customer according to the loan classification results as per the loan classification regulations of Circular 31 (not applying the regulation of retaining the loan group).
- c. Additional specific provision shall be determined as follows:

Additional specific provision = A – B

In which:

- A: Additional specific provision must be set aside as prescribed in point b, Clause 5.3.2.
- B: Additional specific provision must be set aside as prescribed in point a, Clause 5.3.2
- d. If the aforementioned additional specific provisions at point c is positive, additional specific provision for credit losses is made as follows:

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- By 31 December 2024: At least 50% of additional specific provision;
 - By 31 December 2025: additional provisions to reach at least 70% of the specific provision amount that needs to be supplemented.
For loans that have been restructured according to Circular 53/2024 before 1 January 2025, provisions in 2025 should be made at least according to the rate specified in point a of this clause.
 - By 31 December 2026: Make additional provisions for the remaining amount to reach 100% of the specific provision amount that needs to be supplemented.
 - For debts that have been restructured according to Circular 53/2024 before January 1, 2026, provisions in 2026 should be made at least according to the rate specified in point b of this clause.
- e. The general provision is made for the entire outstanding debt of the customer according to the debt classification results determined in point b, clause 5.3.2

5.4 Restructuring loan repayment terms and retention of loan group to assist customers facing difficulties due to the impact and damage of storm No.3.

From 4 December 2024, restructuring loan repayment terms, including the principal and/or interest, to assist customers facing difficulties due to the impact and damage of storm number 3 is carried out in accordance with Circular 53/2024/TT-NHNN ("Circular 53/2024") dated 4 December 2024 issued by the SBV, upon the customers' request and the Bank's financial capacity.

According to Circular 53/2024, the Bank restructures repayment term of outstanding principals and/or interest of loans to customers satisfying all of these following conditions:

- a. Customer in the following central-affiliated cities and provinces, including: Ha Giang, Cao Bang, Lang Son, Bac Giang, Phu Tho, Thai Nguyen, Bac Kan, Tuyen Quang, Lao Cai, Yen Bai, Lai Chau, Son La, Dien Bien, Hoa Binh, Ha Noi, Hai Phong, Hai Duong, Hung Yen, Vinh Phuc, Bac Ninh, Thai Binh, Nam Dinh, Ha Nam, Ninh Binh, Quang Ninh, Thanh Hoa ("26 provinces and cities"), are facing difficulties due to impact and damage of Storm number 3, including:
- Customers are individuals who are currently residing¹ or working or locating their business establishments or carrying out investment, construction or business activities in the abovementioned 26 provinces and cities;
 - Customers are organizations (except borrowers that are credit institutions or foreign bank branches) that are headquartered or locate their branches, representative offices or business establishments or carry out investment, construction or business activities in the abovementioned 26 provinces and cities.
- b. Outstanding debt arising from lending activities and fully meeting the following conditions:
- Outstanding principal amounts arise before 7 September 2024
 - Obligations to repay outstanding principal and/or interest arise within the period starting from 7 September 2024 to 31 December 2025 inclusive.
 - The outstanding debt to be rescheduled is undue or up to 10 (ten) days past the agreed-upon due date and/or the outstanding debt which is more than 10 (ten) days overdue and considered overdue within the period starting from 7 September 2024 to 16 December 2024 inclusive if these debt rescheduling procedures are carried out for the first time as prescribed Circular 53/2024.

¹ According to Clause 10, Article 2 of Residence law No 68/2020/QH14 dated 13 November 2020, current place of residence means the place of permanent or temporary residence where a citizen lives on a regular basis; if the citizen has no place of permanent or temporary residence, the place where they are living shall be their current place of residence.

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c. Loans classification and monitoring of interest receivables:

- The loan is retained the debt group as the debt group classified according to regulations at the most recent time before 7 September 2024 when restructuring the debt repayment period according to Circular 53/2024.
- For restructured loans that are undue during the restructure period, without having to apply adjustment principal, reclassify into a group with higher level of risk as prescribed in Circular 31.
- For restructured loans that are overdue during the restructured period and the Bank does not continue to apply loan restructuring no longer have outstanding loans with restructured debt repayment period, loans classification is performed according to Circular 31;
- For the interest receivables on loans which are restructured repayment terms and are retained the loan group as current loans (group 1), the Bank derecognizes their accrued interest and recognizes them as off-balance sheet items for following up and collection from the restructured date, interest income for these loans is recognized in the income statement upon receipt accordance with regulations of law on financial regimes applicable to credit institutions and foreign bank branches.

5.5 *Purchased debts*

Purchased debts are recorded at the purchasing price on the contract and classified to the group with risk level is not lower than its original group classified before purchase. If the interest receipt thereafter includes the accrued interest before purchase date, the interest recognition is made as follows: (i) reduce the value of purchased debts by the interest incurred before the purchase date; (ii) record the interest income in the period by the amount incurred after the purchase date.

The Bank classify and make provision for purchased debts in accordance with regulations on loan classification and provision for credit loss.

5.6 *Debt selling activities*

Accordance to the guidance of Circular 09/2015/TT-NHNN, the treatment of the difference between the selling price and the book price for the debts is as follows:

For debts currently recorded on the on-statement of financial position:

- If the selling price exceeds the book value of the debt, the difference is recognised as other income within the fiscal year;
- If the selling price is lower than the value of the debt, the difference is recorded as an expense of the Bank in the fiscal year, after being offset by compensation from parties, insurance from the designated insurance organisation, and if applicable, the financial risk reserve fund.

For debts that have been removed from the consolidated financial statements and are being monitored off-statement of financial position, the proceeds from debt sales are recorded as other income of the Bank.

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6. Held for trading and investment securities

6.1 Held-for-trading securities

Classification and recognition

Held-for-trading securities include debt securities purchased for trading purposes. Held-for-trading securities are initially recognised at costs on the date that the Bank has ownerships on these securities.

Measurement

Listed held-for-trading debt securities are stated at costs less provisions for diminution in value. Provisions for diminution in value of held-for-trading securities are made when book value is higher than its market value, which is determined as the latest trading price at the stock Exchange within 10 days until the end of financial year. Changes in the provision balances during the year are recognised as "Net gain from trading of held-for-trading securities" in the consolidated income statement.

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

For held-for-trading debt securities 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 31. According to Circular 31, the Bank does not make general provisions for certificate of deposits and bonds issued by other credit institutions.

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

Gains or losses from sales of held-for-trading securities are recognised as "Net gain from trading of held-for-trading securities" in the consolidated income statement. Cost is determined by the specific identification method.

Coupons received from held-for-trading securities during holding periods are recognised in the consolidated income statement upon receipts.

Derecognition

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

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6.2 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 the risks and rewards of ownerships are transferred to the Bank.

Measurement

Listed available-for-sale investment securities are stated at book value less provisions for diminution in value, which are 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 the financial year.

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

Changes in the provision balances during the year are recognised as "*Net gain from trading of investment securities*" in the consolidated 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. Accrued 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) is 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 the purchasing 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 the discount/premium (if any) is amortised to the consolidated income statement on a straight-line basis over the remaining terms of these debt securities.

Cumulative interest before purchased date is recognised as a decrease in the accrued 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 from investment securities based on a straight-line basis over the terms of investment securities.

For investment debt securities 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 31 as described in Note 2.6. According to Circular 31, the Bank does not make general provisions for certificate of deposits and bonds issued by other credit institutions.

Provisions for investment securities as mentioned above are reverted when the recoverable amount of held-for-trading securities increases after the 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 consolidated income statement. Cost is determined by the specific identification method.

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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 the risks and rewards of ownerships of these securities.

6.3 Held-to-maturity investment securities

Held-to-maturity investment securities are debt securities purchased by the Bank with the investment purpose of earning interests and the Bank has capability and intention to hold these investment securities until maturity. Held-to-maturity investment securities have the determined value and maturity date. According to Official Letter No. 2601/NHNN-TCKT issued by SBV on 14 April 2009, the Bank is allowed to reclassify one time after purchase 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 6.2

7. Cash and cash equivalents

In consolidated cash flow statement, cash and cash equivalents comprise cash on hand, gold, balances with SBV, Treasury bills of SBV, demand and term deposits at other credit institutions which have maturity dates within 3 (three) months or less from the date of depository.

8. Provision, contingent liabilities and assets

Off-balance sheet commitments consist of guarantees, settlement acceptances and unconditional, irrevocable commitments and other commitments arising credit risks

Classification of off-balance sheet commitments

The classification of off-balance sheet commitment is made in accordance with Circular 31.

According to Circular 31, the Bank classifies off-balance sheet commitments are classified into five groups based on the payment arrears status and other qualitative factors, which are as follows:

Group 1: Standard commitments

- Undue commitments, which, according to the assessment of the Bank and its subsidiary, could be fully, settled when they are due.

Group 2: Special mentioned commitments

- Undue commitments, which, according to the assessment of the Bank and its subsidiary, could not be fully, settled when they fall due.

Group 3: Substandard Commitments

- Off-balance sheet commitments are assessed by the Bank and its subsidiary as customers being unable to fully meet their obligations under the commitments.

Group 4: Doubtful Commitments

- Off-balance sheet commitments where the likelihood of customers failing to fulfill their commitments is very high.

Group 5: Loss Commitments

- Off-balance sheet commitments where customers are no longer able to fulfill their obligations under the commitments.

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Provisions for off-balance sheet commitments

According to Circular 31, off-balance sheet commitments are only classified as debts for credit quality management and supervision. Therefore, there is no requirement to make provision.

9. Corporate income tax

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

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

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim consolidated 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 period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the interim consolidated 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.

10. Borrowings, issued debt securities and equity instruments

Due to State Bank of Vietnam, due to and borrowings from other credit institutions, valuable papers issued are disclosed at the principal amounts outstanding at the date of the consolidated financial statements. At initial recognition, issuance costs are deducted from the cost of the valuable papers. These costs are allocated on a straight-line method during the lifetime of the valuable papers to "Interest and similar expenses".

11. Owners' capital

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

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

Other owners' capital represents other capital held by the owners at the reporting date.

Treasury shares

Treasury shares bought before the effective date of the Securities Law (1 January 2021), are shares issued by the Bank and bought back by itself, but these are not cancelled, sold or may be re-issued subsequently, the amount received is recognised as an increase in charter capital, and the resulting surplus or deficit on these transactions are recognised as share premium.

Treasury shares are repurchased after the effective date of the Securities Law (1 January 2021), are cancelled and adjusted to reduce in charter capital.

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Undistributed earnings

Undistributed earnings record the Bank and its subsidiary's results (profit) after CIT at the reporting date.

Basic earning per share

The Bank presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the net profit attributable to the ordinary shareholders of the Bank, after deducting the bonus and welfare fund made during the year, by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

Reserves

According to Decree No. 93/2017/ND-CP dated 7 August 2017 issued by the Vietnamese Government, the Bank is required to make the following allocations before profits distribution:

	<u>Percentage of annual allocation</u>	<u>Maximum amount</u>
Capital supplementary reserve	5% of profit after tax	Charter capital
Financial reserve	10% of profit after tax	Not specified

The purpose of the financial reserve is to offset residual asset losses and damage occurring in the course of business after such losses have been offset with compensation paid by organisations; individuals who caused them, indemnity paid by insurers and with the allowance set up and accounted for in expenses, and shall be used for other purposes in accordance with the law.

Other reserves 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 resolution of the General Meeting of Shareholders. These reserves are not regulated by laws and are allowed to be fully distributed.

Appropriation of profit

The Bank and its subsidiary's dividends are recognised as a liability in the consolidated financial statements in the period in which the dividends distributions are approved by the Bank's General Shareholders Meeting.

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

Bonus and welfare fund is appropriated from profit after tax of the Bank and its subsidiary after approval by General Meeting of Shareholders and recognised as a liability of in the consolidated financial statements. The Bank and its subsidiary utilise the bonus and welfare fund for purposes in accordance with Decree 93.

12. Restatement corresponding figures: None

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V. SUPPLEMENT FOR ITEMS PRESENTED ON STATEMENT OF FINANCIAL POSITION

1. Securities held for trading

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
1.1. Debt securities		
- Government and municipal bonds	778,827	-
- Debt securities issued by other domestic credit institutions	21,176,948	18,580,932
- Debt securities issued by domestic economic entities	-	-
- Debt securities issued by foreign entities	-	-
Total	21,955,775	18,580,932
1.2. Equity securities		
- Equity securities issued by domestic credit institutions	-	-
- Equity securities issued by domestic economic entities	-	-
- Equity securities issued by foreign entities	-	-
1.3. Other securities held for trading	-	-
1.4. Analysis of securities held for trading classified as credit risk assets by quality		
- Current	21,176,948	18,580,932
- Special mention	-	-
- Substandard	-	-
- Doubtful	-	-
- Loss	-	-
Total	21,176,948	18,580,932
1.5. Provision for securities held for trading	-	-
In which:		
- Provision for impairment	-	-
- General provision		
- Specific provision		
1.6. Listing status of securities held for trading		
Debt securities:		
+ Listed	778,827	-
+ Unlisted	21,176,948	18,580,932
Equity securities:		
+ Listed	-	-
+ Unlisted	-	-
Other securities:		
+ Listed	-	-
+ Unlisted	-	-

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2. Derivatives and other financial assets

	<i>Total contract value (at foreign exchange rate at the contract date)</i> VND million	<i>Total book value (at foreign exchange rate at reporting date)</i>	
		<i>Assets</i> VND million	<i>Liabilities</i> VND million
As at 31 December 2024			
Foreign currency derivatives			
- Currency forward contracts	3,420,583	-	3,182
- Currency swap contracts	91,090,987	43,955	55,422
Other derivatives			
- Cross currency interest swap contracts	977,800		3,800
Total	95,489,370	43,955	62,404
Net amount			18,449
As at 31 December 2023			
Foreign currency derivatives			
- Currency forward contracts	5,400,768	12,816	-
- Currency swap contracts	114,288,732	95,893	-
Other derivatives			
- Cross currency interest swap contracts	972,630	1,370	-
Total	120,662,130	110,079	-
Net amount		110,079	-

3. Loans to customers

	<i>31 December 2024</i> VND million	<i>31 December 2023</i> VND million
Loans to local economic organisations and individuals	428,318,105	340,530,761
Loans from funds, trusted investments	2,713,908	2,673,694
Discounting commercial notes and valuable papers	248,071	197,563
Payments on behalf of customers	25,835	2,277
Loans to oversea economic organisations and individuals	150	-
Total	431,306,069	343,404,295
The business of issuing deferred payment letters of credit with terms of sight payment or advanced payment arising before 1 July 2024 (*)	11,178,772	-
Total	442,484,841	343,404,295

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(*)This is the balance related to the business of issuing deferred payment letters of credit with terms of sight payment or advance payment before the letter of credit due date of the Law on Credit Institutions No. 32/2024/QH15 and Circular 21/2024/TT-NHNN and is not included in the credit growth rate.

Analysis of loans by quality

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Current	401,834,768	319,238,925
Special mention	20,915,070	18,005,407
Substandard	4,199,973	2,610,402
Doubtful	1,967,085	1,907,723
Loss	2,389,173	1,641,838
	431,306,069	343,404,295
Current – The business of issuing deferred payment letters of credit with terms of sight payment or advanced payment arising before 1 July 2024	11,178,772	-
Total	442,484,841	343,404,295

Analysis of loans by original terms

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Short-term	227,158,574	183,332,216
Medium-term	138,247,896	93,389,645
Long-term	65,899,599	66,682,434
	431,306,069	343,404,295
Short-term – The business of issuing deferred payment letters of credit with terms of sight payment or advanced payment arising before 1 July 2024	11,178,772	-
Total	442,484,841	343,404,295

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Analysis of loans by type of customers

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Household businesses and individuals	159,619,462	149,935,604
Other limited liability companies	155,438,528	105,980,794
Other joint stock companies	109,598,655	81,177,458
State-owned enterprises	2,725,717	2,802,782
Foreign invested enterprises	3,844,723	3,402,200
Co-operatives and inter-cooperatives	47,555	50,808
Private enterprises	1,000	2,139
Others	30,429	52,510
	431,306,069	343,404,295
<i>The business of issuing deferred payment letters of credit with terms of sight payment or advanced payment arising before 1 July 2024</i>	<i>11,178,772</i>	-
Other joint stock companies	6,363,485	-
Other limited liability companies	4,815,288	-
Total	442,484,841	343,404,295

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Analysis of loans by industry

	31 December 2024 VND million	31 December 2023 VND million
Activities of households as employers, producing goods and services of households for owned uses	159,619,462	109,332,902
Agriculture, forestry and aquaculture	2,996,341	14,278,085
Manufacturing and processing	18,627,260	11,589,764
Real estates trading activities	68,291,984	58,248,505
Constructions	42,189,961	24,448,858
Electricity, gas, steam and air conditioning manufacturing and distributions	7,052,267	9,995,088
Wholesales and retails; repair of cars, motor vehicles, and other vehicles	68,168,362	46,004,035
Accommodation and food service activities	9,570,183	3,980,434
Transportation, warehouses	7,705,745	5,394,191
Finance services and insurance activities	30,706,538	13,038,626
Others	16,377,966	47,093,807
	431,306,069	343,404,295
<i>The business of issuing deferred payment letters of credit with terms of sight payment or advanced payment arising before 1 July 2024</i>	11,178,772	-
Wholesales and retails; repair of cars, motor vehicles, and other vehicles	6,252,692	-
Manufacturing and processing	977,614	-
Constructions	414,344	-
Real estates trading activities	2,860,998	-
Electricity, gas, steam and air conditioning manufacturing and distributions	98,810	-
Others	574,315	-
Total	442,484,841	343,404,295

4. Change in provision for credit losses of loans to customers

Changes in provision for credit losses of loans to customers during the current period are as follows:

	Specific provision VND million	General provision VND million	Total VND million
1 January 2024	1,491,241	2,563,216	4,054,457
Provision charged/(reversed) during the period	4,583,936	653,657	5,237,593
Provision used to write-off bad debts during the period	(3,497,287)	-	(3,497,287)
31 December 2024	2,577,890	3,216,873	5,794,763

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Changes in provision for credit losses of the business of issuing deferred payment letters of credit with terms of sight payment or advanced payment arising before 1 July 2024 during the current period are as follows:

	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total VND million</i>
1 January 2024	-	-	-
Provision charged/(reversed) during the period	-	83,841	83,841
Provision used to write-off bad debts during the period	-	-	-
31 December 2024	-	83,841	83,841

Changes in provision for credit losses of loans to customers during the previous period are as follows:

	<i>Specific provision VND million</i>	<i>General provision VND million</i>	<i>Total VND million</i>
1 January 2023	1,131,211	1,970,361	3,101,572
Provision charged/(reversed) during the period	3,674,896	592,855	4,267,751
Provision used to write-off bad debts during the period	(3,314,866)	-	(3,314,866)
31 December 2023	1,491,241	2,563,216	4,054,457

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5. Investment securities

5.1 Available-for-sale securities

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
a. Debt securities		
Government and municipal bonds	18,783,841	13,040,960
Debt securities issued by other domestic credit institutions	6,771,743	10,190,526
Debt securities issued by domestic economic entities	5,625,005	8,354,980
Debt securities issued by foreign entities	-	-
	31,180,589	31,586,466
b. Equity securities		
Equity securities issued by other domestic credit institutions	-	-
Equity securities issued by domestic economic entities	226,935	285,222
Equity securities issued by foreign entities	-	-
	226,935	285,222
	31,407,524	31,871,688
c. Provision for available-for-sale securities		
- Diminution provision	-	-
- General provision	(41,850)	(62,662)
- Specific provision	(45,000)	(9,000)
	(86,850)	(71,662)
Net amount	31,320,674	31,800,026

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5.2 Held-to-maturity securities (excluding special bonds issued by VAMC)

	31 December 2024 VND million	31 December 2023 VND million
Treasury bills issued by the State Bank of Vietnam	13,250,000	-
Government and municipal bonds	3,386,590	4,285,409
Debt securities issued by other domestic credit institutions	-	6,338,198
Debt securities issued by domestic economic entities	800,020	1,681,266
Debt securities issued by foreign entities	-	-
	17,436,610	12,304,873
Provision for held-to-maturity securities		
- Diminution provision	-	-
- General provision	(6,000)	(12,610)
- Specific provision	-	-
	(6,000)	(12,610)
Net amount	17,430,610	12,292,263

6. Long-term investments

Analysis by type of investments

	31 December 2024 VND million	31 December 2023 VND million
Investments in subsidiaries (*)	-	-
Investments in joint ventures	-	-
Investments in associates	726,080	-
Other long-term investments	146,546	163,921
Provision for long-term investments	(15,082)	(20,140)
Total	857,544	143,781

List of associated companies:

Name	Current period			Previous period		
	Par value	Current value (*)	Ownership share (%)	Par value	Current value	Ownership share (%)
Investments in other entities						
HD Securities Corporation	658,075	726,080	29.99%			

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7. Debts to the Government and State Bank of Vietnam

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
7.1. Borrowings from SBV	-	-
Borrowing under credit facilities	-	-
Borrowings through discount of valuable papers	-	-
Borrowing secured pledge of valuable papers	-	-
Borrowings in clearing	-	-
Special borrowings	-	-
Other borrowings (including term borrowings follow Government-designated targets)	-	-
Overdue debts	-	-
7.2. Due to the State Treasury	1	2,104
In VND	1	2,104
In foreign currencies	-	-
7.3. Transactions for the sale and repurchase of Government bonds with the State Treasury	-	-
7.4. Others	15,433	24,486
Total	15,434	26,590

8. Due to and borrowings from other credit institutions

8.1 Due to other credit institutions

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Demand deposits	3,870,096	9,006,181
In VND	3,862,541	9,002,298
In foreign currencies	7,555	3,883
Term deposits	71,006,950	53,591,505
In VND	69,100,000	50,400,000
In foreign currencies	1,906,950	3,191,505
Total	74,877,046	62,597,686

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8.2 Borrowings from other credit institutions

	31 December 2024 VND million	31 December 2023 VND million
In VND	4,323,932	17,560,491
<i>In which:</i>		
- Discount, re-discount valuable papers	-	1,825,440
- Mortgaged and pledged borrowings	-	-
In foreign currencies	20,259,601	31,928,801
<i>In which:</i>		
- Discount, re-discount valuable papers	-	-
- Mortgaged and pledged borrowings	1,271,300	1,213,500
Total	24,583,533	49,489,292

9. Due to customers

Analysis by products:

	31 December 2024 VND million	31 December 2023 VND million
Demand deposits	51,696,973	40,325,322
Demand deposits in VND	48,662,064	38,234,005
Demand deposits in foreign currencies	3,034,909	2,091,317
Term deposits	384,822,714	329,577,901
Term deposits in VND	384,058,775	329,224,445
Term deposits in foreign currencies	763,939	353,456
Deposits for specific purposes	423,528	96,706
Margin deposits	561,950	777,959
Total	437,505,165	370,777,888

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10. Valuable papers issued (excluding compound financial instruments)

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Certificates of deposits	24,541,000	18,128,000
Less than 12 months	11,705,000	15,352,000
From 12 months to under 5 years	12,756,000	2,619,000
From 5 years	80,000	157,000
Straight bonds	48,550,857	24,930,944
From 12 months to under 5 years	16,548,425	9,799,417
From 5 years	32,002,432	15,131,527
Total	73,091,857	43,058,944

11. Other liabilities

	<i>31 December 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Internal payables	868,458	238,604
External payables	18,570,269	18,993,589
Provisions:		
- Provision for commitments	-	-
- Provision for settlement services	-	-
- Other provisions (<i>provision for operating risk excluding provision for other assets</i>)	-	-
Bonus and welfare fund	46,763	41,611
Total	19,485,490	19,273,804

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12 Statutory obligations and deferred corporate income tax

12.1 Statutory obligations

Items	1 January	Movement during the period		31 December
	2024	Payable	Paid	2024
	VND million	VND million	VND million	VND million
Value added tax	70,529	789,739	(800,212)	60,056
Corporate income tax	1,820,741	3,478,665	(4,466,687)	832,719
Property tax	-	127	(127)	-
Land rental tax	-	-	-	-
Other taxes	37,575	736,261	(683,597)	90,239
- License tax	-	372	(372)	-
- Personal income tax	20,900	618,396	(565,452)	73,844
- Foreign contractor tax	16,675	117,493	(117,773)	16,395
Other fees and tax payables	-	77,380	(70,329)	7,051
Total	1,928,845	5,082,172	(6,020,952)	990,065

12.2 Deferred corporate income tax

a. Deferred corporate income tax assets

	31 December 2024	31 December 2023
	VND million	VND million
- Deferred income tax assets related to deductible temporary differences	72,470	77,768
- Deferred income tax assets related to unused tax losses	-	-
- Deferred income tax assets related to unused incentives	-	-
- Deferred income tax assets related to recorded in previous periods	-	-
Deferred corporate income tax assets	72,470	77,768

b. Deferred corporate income tax liabilities

	31 December 2024	31 December 2023
	VND million	VND million
- Deferred income tax liabilities incurred from temporary differences	-	1,060
- Deferred income tax liabilities incurred recorded in previous periods	-	-
Deferred corporate income tax liabilities	-	1,060

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13. Owners' equity

13.1. Statement of changes in owners' equity

	<i>Beginning balance VND million</i>	<i>Increase in period VND million</i>	<i>Decrease in period VND million</i>	<i>Ending balance VND million</i>
Contributed capital/ charter capital	29,076,321	6,025,102	-	35,101,423
Shares premium	535,956	-	-	535,956
Fund for capital expenditure	89	-	-	89
Treasury shares	(413,448)	-	-	(413,448)
Assets revaluation differences	-	-	-	-
Foreign exchange differences	-	-	-	-
Development and investment reserve	70	-	-	70
Financial reverse	3,142,201	1,064,604	-	4,206,805
Capital supplementary reserve	1,444,109	533,514	-	1,977,623
Other reserves	121,863	25,000	(18,159)	128,704
Retained earnings	10,561,698	12,763,193	(10,370,770)	12,954,121
Non-controlling interest	1,931,463	484,695	(250,000)	2,166,158
Other owners' capital	-	-	-	-
	46,400,322	20,896,108	(10,638,929)	56,657,501

13.2 Disclosure of combined financial instruments:

Convertible bonds:

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
Total value	8,257,888	7,879,204
- Debt component value	8,257,888	7,879,204
- Equity component value	-	-

13.3 Shares

	<i>31 December 2024 VND million</i>	<i>31 December 2023 VND million</i>
Number of shares registered	3,510,142,254	2,907,632,132
Number of shares issued		
- <i>Ordinary shares</i>	3,510,142,254	2,907,632,132
- <i>Preference shares</i>		
Number of shares repurchased		
- <i>Ordinary shares</i>	15,081,522	15,081,522
- <i>Preference shares</i>		
Number of outstanding shares		
- <i>Ordinary shares</i>	3,495,060,732	2,892,550,610
- <i>Preference shares</i>		
* Par value of outstanding share (VND/share)	10,000	10,000

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14. Interest and similar income

	<i>Current period</i> VND million	<i>Previous period</i> VND million
Interest income from deposits	1,571,993	1,039,402
Interest income from loans	42,801,782	38,543,102
Interest income from debt securities	3,637,261	2,709,684
- <i>Interest income from held-for-trading securities</i>	683,195	90,882
- <i>Interest income from investment securities</i>	2,954,066	2,618,802
Income from guaranteed services	3,252,909	2,652,776
Other income from credit activities	6,730,900	7,695,613
Total	57,994,845	52,640,577

15. Interest and similar expense

	<i>Current period</i> VND million	<i>Previous period</i> VND million
Interest expenses on deposits	20,578,179	23,657,737
Interest expenses on borrowings	2,984,870	3,353,894
Interest expenses on valuable papers issued	3,531,995	3,412,816
Other expenses on credit activities	43,408	32,156
Total	27,138,452	30,456,603

16. Net gain/(loss) from trading of held-for-trading securities

	<i>Current period</i> VND million	<i>Previous period</i> VND million
Income from trading of held-for-trading securities	412,368	194,305
Expenses from trading of held-for-trading securities	(343,439)	(152,582)
(Charge)/reversal of provisions for diminution in value of held for trading securities	-	-
Net gain from trading of held-for-trading securities	68,929	41,723

17. Net gain/(loss) from investment securities

	<i>Current period</i> VND million	<i>Previous period</i> VND million
Income from trading of investment securities	297,870	1,425,098
Expense from trading of investment securities	(221,039)	(203,825)
(Charge)/reversal of provisions for diminution in value of investment securities	(8,578)	(54,268)
Net gain from trading of investment securities	68,253	1,167,005

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18. Income from investment in other entities

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
Dividend from equity securities	-	-
Dividend from long-term investments	68,004	9,325
Total	68,004	9,325

19. Operating expenses

	<i>Current period</i> <i>VND million</i>	<i>Previous period</i> <i>VND million</i>
1. Tax payment and other fees	3,887	3,415
2. Personnel expenses	6,930,827	5,130,179
Salary and allowances	6,333,947	4,628,862
Salary-related contributions	391,032	337,367
Allowances	69,365	57,534
Other expenses for staffs	136,483	106,416
3. Fixed asset expenses	1,157,437	996,502
In which: depreciation and amortisation of fixed assets	195,126	156,675
4. Administrative expenses	3,458,465	2,713,487
In which: Business trips expenses	86,062	73,511
Union expenses	6,022	1,028
5. Insurance expenses for customer deposits	429,995	285,163
6. Provision expense/(reversal) (excluding provision expense for credit losses, investment securities)	(4,653)	456
7. Other expenses	-	-
Total	11,975,958	9,129,202

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VII OTHER INFORMATION

20. 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, associates 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.

Significant transactions with related parties in the current period are as follows:

<i>Related party</i>	<i>Transactions</i>	<i>31 December 2024</i>	
		<i>VND million</i>	
Major shareholders and related parties of major shareholders	Deposits	62,994,370	
	Withdrawals	59,654,826	
Companies in which the Bank has long-term investments	Deposits	145,568,946	
	Withdrawals	145,416,459	
Affiliated Company	Deposits	302,040,358	
	Withdrawals	300,872,111	

Receivables and payables with related parties at the end of the period are as follows:

<i>Related party</i>	<i>Transactions</i>	<i>31 December 2024</i>	
		<i>Receivables</i>	<i>Payables</i>
Major shareholders and related parties of major shareholders	Term deposits	-	(3,479,858)
	Saving deposits	-	(129,703)
	Demand deposits	-	(3,579,821)
	Margin deposits	-	(14,000)
	Loans	148,129	-
Companies in which the Bank has long-term investments	Term deposits	-	(100,000)
	Demand deposits	-	(3,003,671)
	Margin deposits	-	(33)
	Loans	2,884,273	-
Affiliated Company	Demand deposits	-	(2,326,798)
	Loans	3,000,000	-

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21. Concentration of assets, liabilities and off-balance sheet items by geographical regions

	<i>Loans</i> <i>VND million</i>	<i>Deposits</i> <i>VND million</i>	<i>Credit</i> <i>commitment</i> <i>VND million</i>	<i>Derivatives</i> <i>VND million</i>	<i>Trading and</i> <i>investment</i> <i>securities</i> <i>VND million</i>
Domestic	442,484,841	111,142,110	72,629,581	90,784,289	70,799,909
Oversea		9,764,061		4,705,081	

VIII. FINANCIAL RISK MANAGEMENT

22. Financial risk management policies for financial instruments

Risk policies, limits and management tools are embedded in daily operations of the Bank and its subsidiary

The Bank and its subsidiary's objective is to manage its risk adequately within the approved limits. Therefore, the use of financial instruments, including receiving deposits from customers and investing in high-quality assets to achieve sufficient interest margins, are core activities of the Bank and its subsidiary. From risk management perspective, this primarily involves maintaining loans to individuals and organisational borrowers of varied creditworthiness, in both local and foreign currencies, as well as off-balance sheet commitments (such as guarantees and letters of credit). In addition, the Bank and its subsidiary also place its mobilised funds in loans to other banks. Risks relating to foreign exchange and interest rate exposures are managed through the use of position limits, to avoid undue concentrations and entering into counterbalancing positions in order to offset exposures. By holding high quality financial instruments, the Bank and its subsidiary are able to manage significant risks in its operating activities and to maintain an adequate liquidity position.

23. Credit risk

Credit risk is the risk of financial loss due to customer or counterparty of the Bank and its subsidiary being unable or unwilling to fulfill on its payment obligations, in part or as a whole under a contract or agreement with the Bank and its subsidiary. The Bank and its subsidiary'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 and issuing corporate bonds.

Credit risk management and mitigation policies

The Bank and its subsidiary have 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.

Maximum total exposure to credit risk

The maximum exposure to credit risk is the carrying amounts on the consolidated statement of financial position as well as off-balance sheet 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 off-balance sheet commitments, the maximum credit risk exposure is the full value of the unrealised commitments. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

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24. 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 the losses to the Bank and its subsidiary. Market risk includes foreign exchange risk, interest risk, price risk and commodity risk.

24.1 Interest risk

Interest risk incurs when there are adverse movements of interest in the markets, impacting to the values of valuable papers, interest bearing financial instruments, interest derivatives in trading book of the Bank and its subsidiary. The Bank and its subsidiary manage interest risks by monitoring the level of mismatch of interest by terms on a monthly basis.

The following table presents the interest re-pricing period of the Bank and its subsidiary's assets and liabilities as at 31 December 2024. The assets and receivables of the Bank are classified based on the earlier of the date of the most recent interest rate adjustment under the contract or the maturity date

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Items	Overdue	Non-interest bearing	Up to 1		1 - 3 months	3 - 6 months	6 - 12		1 - 5 years	Over	Total
	VND million		VND million	month			month	months		months	
Assets											
Cash and gold		3,105,355									3,105,355
Balances with the State Bank of Vietnam		26,680,270									26,680,270
Due from and loans to other credit institutions (*)			96,382,586	2,060,648		2,020	3,155,000				101,600,254
Securities held for trading (*)			-	-	-	382,922	21,572,853				21,955,775
Derivatives and other financial assets											
Loans to customers (*)	29,471,301			73,085,685	179,776,792	57,486,923	91,403,453	11,033,692		226,995	442,484,841
Investment securities (*)	45,000			13,833,206	1,354,510	3,442,333	7,222,743	3,065,306		19,654,101	48,844,134
Long-term investments (*)				872,626							872,626
Fixed assets and investment properties				1,765,927							1,765,927
Other assets (*)	47,437		18,500,328		3,595,209	2,762,599	31,099,513				56,005,086
Total assets	29,563,738		51,151,441	183,301,477	186,787,159	64,076,797	154,453,562	14,098,998		19,881,096	703,314,268
Liabilities											
Due to and borrowings from the SBV and other credit institutions				76,343,764	8,420,924	9,847,812	4,576,027	287,486			99,476,013
Due to customers				243,258	105,931,436	68,163,863	115,018,674	126,166,292	21,981,370	272	437,505,165
Derivatives and other financial liabilities				14,649	(17,720)		21,520				18,449
Grants, entrusted funds and loans exposed to risks					1,594						1,688
Valuable papers issued					1,578,805					13,072	2,788,443
Other liabilities (*)					19,485,490					214,869	81,349,745
Total liabilities				19,743,397	183,855,599	86,217,693	139,468,980	162,919,028	48,168,140	250,468	640,623,305
On-balance sheet interest sensitivity gap	29,563,738	31,408,044	(554,122)	100,569,466	(75,392,183)	(8,465,466)	(34,069,142)	19,630,628			62,690,963
Off-balance sheet interest sensitivity gap		(72,629,581)									(72,629,581)
Interest sensitivity gap (on, off-balance sheet)	29,563,738	(41,221,537)	(554,122)	100,569,466	(75,392,183)	(8,465,466)	(34,069,142)	19,630,628			(9,938,618)

(*) These items exclude provision

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24.2 *Currency risk*

Currency risk incurs due to adverse movements of foreign exchange rate, gold price whilst the Bank and its subsidiary maintain 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.

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The following table presents assets and liabilities in foreign currencies translated into VND:

Items	Other currencies					Total VND million
	VND million	EUR equivalent VND million	USD equivalent VND million	Gold equivalent VND million	Other currencies equivalent VND million	
Assets						
Cash and gold	2,264,415	28,028	577,371	11,860	223,681	3,105,355
Balances with the State Bank of Vietnam	25,099,301	4,662	1,576,307	-	-	26,680,270
Due from and loans to other credit institutions (*)	85,529,736	358,611	9,476,765	-	6,235,142	101,600,254
Securities held for trading (*)	21,955,775	-	-	-	-	21,955,775
Derivatives and other financial assets	-	-	-	-	-	-
Loans to customers (*)	423,514,172	28,700	18,645,518	-	296,451	442,484,841
Investment securities (*)	48,844,134	-	-	-	-	48,844,134
Long-term investments (*)	872,626	-	-	-	-	872,626
Fixed assets and investment properties	1,765,927	-	-	-	-	1,765,927
Other assets (*)	44,803,314	1,533	11,194,719	-	5,520	56,005,086
Total assets	654,649,400	421,534	41,470,680	11,860	6,760,794	703,314,268
Liabilities						
Due to and borrowings from other credit institutions	77,301,908	28,700	20,020,821	-	2,124,584	99,476,013
Due to customers	433,635,029	231,414	3,226,967	-	411,755	437,505,165
Derivatives and other financial liabilities	(10,625,104)	26,574	6,612,000	-	4,004,979	18,449
Grants, entrusted funds and loans exposed to risks	-	-	2,737,452	-	50,991	2,788,443
Valuable papers issued	73,086,295	-	8,263,450	-	-	81,349,745
Other liabilities (*)	18,533,690	129,128	769,814	425	52,433	19,485,490
Total liabilities	591,931,818	415,816	41,630,504	425	6,644,742	640,623,305
Foreign exchange position on-balance sheet	62,717,582	5,718	(159,824)	11,435	116,052	62,690,963
Foreign exchange position off-balance sheet	-	-	866	-	(106,152)	(105,286)
Foreign exchange position on and off-balance sheet	62,717,582	5,718	(158,958)	11,435	9,900	62,585,677

(*) These items exclude provision

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24.3 *Liquidity risk*

Liquidity risk is the risk that the Bank and its subsidiary will not be able to fulfil its financial obligations as they fall due or will be able to fulfil its financial obligations as they fall due but at higher costs than the average market costs, as specified in the Bank's internal regulation. To manage the liquidity risk exposure, the Bank and its subsidiary have diversified the mobilisation of deposits from various sources in addition to its basic capital resources.

Liquidity risks are mainly mitigated through the Bank and its subsidiary's holding a high proportion of assets as cash and cash equivalents in the form of demand deposits at other credit institutions, balances with SBV, and valuable papers. The risk-weighted ratios are also used to manage the Bank and its subsidiary's liquidity.

The following table analyzes financial assets and financial liabilities into related maturity groups based on the remaining term from the date of preparation of the consolidated financial statements to the maturity date according to the contract. The amounts presented in the table below are undiscounted cash flows under the contracts.

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Items	Overdue	Current	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Above 5 years	Total
	Above 3 months	Up to 3 months						
Assets								
Cash and gold			3,105,355					3,105,355
Balances with the State Bank of Vietnam			26,680,270					26,680,270
Due from and loans to other credit institutions (*)	-	-	96,382,586	2,060,648	3,157,020	-	-	101,600,254
Securities held for trading (*)	-	-	-	-	21,955,775	-	-	21,955,775
Derivatives and other financial assets	-	-	-	-	-	-	-	-
Loans to customers (*)	8,556,231	20,915,070	24,685,731	51,111,466	187,223,326	113,643,803	36,349,214	442,484,841
Investment securities (*)	45,000	-	13,626,938	301,210	6,271,468	8,945,417	19,654,101	48,844,134
Long-term investments (*)	-	-	644,212	311	10,076	424,468	686,860	872,626
Fixed assets and investment properties	-	-	11,769,151	5,431,920	35,025,354	697,301	3,033,923	56,005,086
Other assets (*)	47,437	-	-	-	-	-	-	-
Total assets	8,648,668	20,915,070	176,894,243	58,905,555	253,643,019	123,710,989	60,596,724	703,314,268
Liabilities								
Due to and borrowings from the SBV and other credit institutions	-	-	75,064,331	5,599,666	14,680,577	4,131,439	-	99,476,013
Due to customers	-	-	106,174,694	68,163,863	241,184,966	21,981,370	272	437,505,165
Derivatives and other financial liabilities (*)	-	-	(236,759)	76,869	178,339	-	-	18,449
Grants, entrusted funds and loans exposed to risks	-	-	1,593	73,967	75,654	604,805	2,032,424	2,788,443
Valuable papers issued	-	-	1,078,848	3,415,200	23,578,378	25,886,212	27,391,107	81,349,745
Other liabilities (*)	-	-	10,791,518	2,786,507	5,548,955	355,478	3,032	19,485,490
Total liabilities	-	-	192,874,225	80,116,072	285,246,869	52,959,304	29,426,835	640,623,305
Net liquidity gap (*)	8,648,668	20,915,070	(15,979,982)	(21,210,517)	(31,603,850)	70,751,685	31,169,889	62,690,963

(*) These items exclude provision

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Prepared by:



Ms. Huynh Thi Nga
Accountant

Reviewed by:



Ms. Ho Dang Hoang Quyên
Chief Accountant

Approved by:



The stamp is red and circular, containing the text: "M.S.D.N.: 0300608", "NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN PHÁT TRIỂN THÀNH PHỐ HỒ CHÍ MINH", and "QUẬN 1 - TP. HỒ CHÍ MINH".

Mr. Pham Van Dau
Chief Financial Officer

Ho Chi Minh City, Vietnam

24 January 2025

Tp. Hồ Chí Minh, ngày 24 tháng 01 năm 2025
Ho Chi Minh City, January 24th, 2025

**CÔNG BỐ THÔNG TIN TRÊN CÔNG THÔNG TIN ĐIỆN TỬ
CỦA ỦY BAN CHỨNG KHOÁN NHÀ NƯỚC VÀ SỞ GIAO DỊCH CHỨNG KHOÁN
DISCLOSURE OF INFORMATION ON WEB PORTALS OF
THE STATE SECURITIES COMMISSION AND STOCK EXCHANGES**

Kính gửi: - Ủy ban Chứng khoán Nhà Nước
To: State Securities Commission
- Sở Giao dịch Chứng khoán TP.HCM
Ho Chi Minh City Stock Exchange
- Sở Giao dịch Chứng khoán Hà Nội
Ha Noi Stock Exchange

- Tên tổ chức : NGÂN HÀNG TMCP PHÁT TRIỂN TP.HCM (HDBANK)
Name of organization : Ho Chi Minh City Development Joint Stock Commercial Bank
- Mã chứng khoán : HDB
Securities code : HDB
- Địa chỉ trụ sở chính : 25 Bis Nguyễn Thị Minh Khai, P. Bến Nghé, Q. 1, Tp.HCM
Head office address : 25 Bis Nguyen Thi Minh Khai, Ben Nghe Ward, District 1, HCMC
- Điện thoại : (028) 62 915 916
Telephone : (028) 62 915 916
- Người được ủy quyền công bố thông tin: Phạm Văn Đầu – Giám đốc tài chính
Authorized person to disclose information: Pham Van Dau – Chief Financial Officer
- Loại thông tin công bố : (X) Định kỳ
Type of disclosed information : (X) Periodic

7. Nội dung công bố thông tin:

Contents of disclosed information:

Thực hiện nghĩa vụ báo cáo, công bố thông tin của công ty niêm yết theo Thông tư số 96/2020/TT-BTC ngày 16/11/2020 của Bộ Tài chính, Ngân hàng TMCP Phát triển TP.HCM – HDBank công bố báo cáo tài chính Quý 4/2024.

In compliance with the obligation of reporting and information disclosure of listed companies in accordance with Circular No. 96/2020/TT-BTC dated 16/11/2020 of the Ministry of Finance, Ho Chi Minh City Development Joint Stock Commercial Bank – HDBank announces the financial statements for 4Q/2024.

8. Địa chỉ website đăng tải toàn bộ báo cáo tài chính

Website address to download financial statements

Thông tin này đã được công bố trên trang thông tin điện tử của HDBank tại đường dẫn:
This information is published by HDBank on its website at:

Đường dẫn tiếng Việt: <https://www.hdbank.com.vn/vi/investor/thong-tin-nha-dau-tu/bao-cao-tai-chinh>
English link: <https://www.hdbank.com.vn/en/investor/thong-tin-nha-dau-tu/bao-cao-tai-chinh>



Ngân hàng TMCP Phát triển Tp.HCM xin gửi kèm báo cáo tài chính Quý 4/2024 hợp nhất & riêng lẻ. Chúng tôi cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố.

HCMC Development Joint Stock Commercial Bank would like to attach herewith the consolidated and separate financial statements for 4Q/2024. We commit that all disclosed information are true and take full responsibilities legally for the contents of the information disclosed.

Nơi nhận:

Recipients:

- Ủy ban Chứng khoán Nhà nước
- State Securities Commission
- Sở Giao dịch Chứng khoán Tp.HCM
- Ho Chi Minh City Stock Exchange
- Lưu: Văn thư
- Filed: Admin Dept.

NGÂN HÀNG TMCP PHÁT TRIỂN TP.HCM
HCMC DEVELOPMENT J.S.COMMERCIAL BANK



GIÁM ĐỐC TÀI CHÍNH
CHIEF FINANCIAL OFFICER

PHẠM VĂN ĐÀU

