

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

*For the year ended December 31, 2024*

**NATIONAL CITIZEN COMMERCIAL  
JOINT STOCK BANK**



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## REPORT OF THE BOARD OF MANAGEMENT

For the year ended December 31, 2024

The Board of Management has the honor of submitting this report and the audited financial statements for the year ended December 31, 2024.

### 1. Bank's information

#### Establishment and operation licence

Previously, the Bank was known as Song Kien Commercial Joint Stock Bank, a joint stock bank established under License No. 00057/NH-GP dated September 18, 1995 issued by the State Bank of Vietnam, replaced by License No. 12/GP-NHNN issued by the State Bank of Vietnam on March 10, 2023, and Establishment License No. 1217/GP-UB issued by the People's Committee of Kien Giang Province on October 17, 1995.

The National Citizen Commercial Joint Stock Bank ("the Bank") was renamed from Nam Viet Commercial Joint Stock Bank on May 06, 2014.

The Establishment and Operation License No. 12/GP-NHNN dated March 10, 2023 was amended in Article 2 regarding charter capital according to Decision No. 2722/QD-NHNN dated December 20, 2024.

The Bank operates its business under Business Registration Certificate No. 1700169765 issued by the Hanoi Department of Planning and Investment (initially registered under Business Registration Certificate number 050046 dated November 02, 1995 by the Kien Giang Provincial Planning Committee), with the 22nd amendment to the Business Registration Certificate dated August 02, 2023.

The Bank has a wholly-owned subsidiary, National Citizen Assets Management Co., Ltd which was established under Decision No. 2406/QD-NHNN dated December 19, 2006 issued by the State Bank of Vietnam; Business Registration Certificate No. 0304767745 dated December 28, 2006 issued by the Department of Planning and Investment of Ho Chi Minh City and was under the 14th amendment on February 19, 2024 with the charter capital of VND 200,000,000,000. Its principal activities are receiving, managing outstanding liabilities and secured assets in order to handle and recover capital in the fastest manner.

The operating duration is 50 years since September 18, 1995.

As at December 31, 2024, the Bank's charter capital is million VND 11,779,848.

#### The Bank's principal activities

- Mobilizing and receiving short, medium and long-term deposit funds from organizations of economic sectors and individuals;
- Lending on short, medium and long-term basis up to the nature and ability of the Bank's capital resources;
- Discounting commercial papers, bonds and valuable papers;
- Conducting investments in subsidiaries, associates, joint-ventures and other companies
- Providing settlement and cash services to customers;
- Conducting investments and dealing in foreign exchange, international settlement services and other banking services as approved by the State Bank of Vietnam;

**Listing code: NVB**

**Head office:** No.25 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung Dist., Ha Noi City.

Until the issuing date of the consolidated financial statements, the Bank has had 1 head office, 22 branches, 42 transaction offices. The branches are opened in the whole country: Northern, Middle, Southern Regions.

## REPORT OF THE BOARD OF MANAGEMENT

For the year ended December 31, 2024

### 2. Financial position and results of operation

The Bank's consolidated financial position and consolidated results of operation in the year are presented in the attached consolidated financial statements.

### 3. The Board of Directors, the Board of Supervisors and the Board of Management and Chief Accountant

The Board of Directors, the Board of Supervisors and the Board of Management holding office in the year and at the reporting date include:

The Board of Directors		Date of Appointment
Ms. Bui Thi Thanh Huong	Chairwoman	29/07/2021
Ms. Hoang Thu Trang	Vice Chairwoman	18/11/2023
Mr. Duong The Bang	Member	18/11/2023
Ms. Nguyen Thi Hai Hoa	Member	18/11/2023
Ms. Trinh Thanh Mai	Independent Member	18/06/2022
The Board of Supervisors		
Ms. Do Thi Duc Minh	Head of Supervisory Board	08/04/2023
Ms. Vu Kim Phuong	Member	24/04/2015
Mr. Nguyen Van Quang	Member	08/04/2023
The Board of Management and Chief Accountant		
Mr. Ta Kieu Hung	Chief Executive Officer ("CEO")	27/06/2023
Ms. Pham Thi Hien	Deputy CEO	14/11/2022
Ms. Vo Thi Thuy Duong	Deputy CEO	19/02/2024
Mr. Nguyen Viet Hoi	Deputy CEO in charge of Southern region	22/07/2024
Ms. Bui Thi Khanh Van	Chief Accountant	02/12/2022

#### Legal representative

Legal representative of the Bank is: Ms. Bui Thi Thanh Huong - Chairwoman.

According to the Authorization No.55/2023/QDUQ-CTHĐQT dated April 21, 2023, Ms. Bui Thi Thanh Huong has authorized Mr. Ta Kieu Hung - Chief Executive Officer to sign the consolidated financial statements for the year ended December 31, 2024.

### 4. Independent Auditor

Moore AISC Auditing and Informatic Services Company Limited has been appointed as an independent auditor for the year ended December 31, 2024.

### 5. Statement of the Responsibility of the Board of Management in respect of the Financial Statements

The Board of Management of the Bank is responsible for the preparation of the consolidated financial statements which give a true and fair view of the consolidated financial position of the Bank as at December 31, 2024 as well as their consolidated results of operation and consolidated cash flows for the year then ended. In order to prepare those consolidated financial statements, the Board of Management has considered and complied with the following matters:

- Select the appropriate accounting policies and applying them consistently;

**REPORT OF THE BOARD OF MANAGEMENT**

*For the year ended December 31, 2024*

- Prepare the consolidated financial statements of the Bank on the going concern basis unless it is inappropriate to presume that the Bank will continue its business.

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and ensuring that the consolidated financial statements are prepared in compliance with applied accounting policies stated in the Notes to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**6. Approval of the Financial Statements**

In the Board of Management's opinion, the consolidated financial statements consisting Consolidated Statement of Financial Position as at December 31, 2024, the consolidated Results of Operations, consolidated Cash Flow Statement and Notes to the consolidated Financial Statements for the year then ended with this report give a true and fair view of the consolidated financial position of the Bank as well as their consolidated operating results and consolidated cash flows for the year ended December 31, 2024. The consolidated financial statements are prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting Systems, Financial Reporting Regime for Credit Institutions, regulations of the State Bank of Vietnam and statutory requirements relevant to the preparation and presentation of consolidated financial statements.

*Ha Noi, February 28, 2025*

**Chief Executive Officer**



**Mr. Ta Kieu Hung**



No.: A06.24.204-HN/MOORE AISC-DN1

**INDEPENDENT AUDITOR'S REPORT****TO: THE SHAREHOLDERS, THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT  
NATIONAL CITIZEN COMMERCIAL JOINT STOCK BANK**

We have audited the consolidated financial statements of National Citizen Commercial Joint Stock Bank ("the Bank") consisting of consolidated Statement of Financial Position as at December 31, 2024, the consolidated Results of Operations, consolidated Cash Flow Statement for the year then ended and Notes to the consolidated Financial Statements as set out on Page 07 to Page 54, which were prepared on February 28, 2025.

**Responsibility of the Board of Management**

The Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, Accounting System (Bank) and prevailing regulations applicable to the preparation and presentation of the consolidated financial statements and also for the internal control that the Board of Management considers necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Responsibility of the Auditor**

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

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

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

### **Auditor's opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of National Citizen Commercial Joint Stock Bank as at December 31, 2024 as well as the consolidated results of its operation and its consolidated cash flows for the year then ended. The consolidated financial statements are prepared in compliance with the prevailing Vietnamese Accounting Standards, Vietnamese Accounting System and other statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

### **Emphasis of matter**

Without qualifying the above audit conclusions, we would like to draw your attention to the special policies that the Bank has applied during the restructuring period as follows:

- According to Note IV.10 on accounting policies for loans to customers, factoring activities; explanation of section IV.11 on debt classification, provisioning and credit risk handling, accordingly, the recovery of bad debts and provisioning for credit risks are carried out based on the financial capacity of the Bank according to the roadmap established until 2030 in the Restructuring Plan approved by competent authority on February 7, 2024.
- According to Note IV.10 on accounting policies for loans to customers, factoring activities; debt sales to Vietnam Asset Management Company Limited ("VAMC"), factoring companies and other organizations is implemented according to the roadmap established in the Bank's Restructuring Plan approved by the competent authority. Accordingly, pursuant to Resolution No. 42/2017/QH14 effective from August 15, 2017 on piloting bad debt collection of credit institutions and legal documents amending, supplementing and replacing, the differences between debt selling prices and original prices, and the accrued interest on bad debts before December 31, 2016 would be gradually allocated to the consolidated income statement at a minimum level based on the difference between revenue and expenses from business results each year and according to the roadmap in the approved Restructuring Plan. For accrued interest of bad debts arising after December 31, 2016, the Bank has written-off all in 2024 according to the approved Restructuring Plan.
- Note IV.12.5 for special bonds issued by VAMC, the provision is made based on the Bank's financial capacity according to the Restructuring Plan associated with bad debt collection for the period 2023-2025, and the Orientation towards 2030.
- Note V.7 - Capital contribution, long-term investment, the Bank has a plan to divest capital and make provisions according to the Restructuring Plan approved by the competent authority. In 2024, the Bank made provisions for these investments according to the Restructuring Plan roadmap.
- Receivables from debt sales (notes V.5 and V.10.2), the Bank has received additional collateral from third parties to ensure compliance with provisions related to this activity. In the Bank's Restructuring Plan approved by the competent authority on February 7, 2024, these receivables would be collected according to the roadmap and gradually processed based on the Bank's financial capacity. These items are periodically reported to the competent authorities.

**Emphasis of matter (Cont.)**

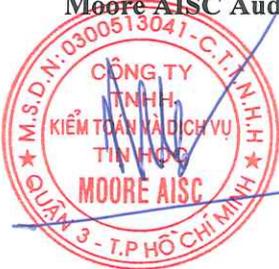
- The provision for held-to-maturity investment securities presented in note V.6.2 is being made based on the minimum annual financial capacity according to the roadmap established in the approved Restructuring Plan for the period 2023-2025 and the Orientation towards 2030.

- The Bank has reported to the competent authority and developed a roadmap for the reversal of receivables, interest and fees receivable under other assets as presented in Note V.10 and was approved by the competent authority for the Restructuring Plan associated with bad debt collection in the period 2023-2025, and the Orientation towards 2030. In 2024, the Bank has carried out the reversal of accrued interest on bad debts and made provisions for impairment of assets given as payment for foreclosed assets - pending for settlement according to the restructuring plan roadmap.

After receiving feedback from the competent authority on February 7, 2024 on the Restructuring Plan associated with bad debt collection for the period 2023-2025, and the Orientation towards 2030, the Bank reviewed the contents, approved and implemented this restructuring plan in accordance with Resolution No. 1429/2024/NQ-HDQT, 1430/2024/NQ-HDQT dated June 28, 2024 under its authority and reported to the competent authority. The fundamental contents of the Bank's Restructuring Plan and the implementation of the contents according to the Restructuring Plan in 2024 are presented in Section VIII.35 Other information and information on going concern - Notes to the consolidated financial statements.

Ha Noi, February 28, 2025

**Moore AISC Auditing and Informatic Services Company Limited**



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**Pham Van Vinh**

**General Director**

Certificate of Audit Practice Registration

No. : 0112-2023-005-1

.....  
**Nguyen Van Tuyen**

**Auditor**

Certificate of Audit Practice Registration

No. : 0111-2023-005-1

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at December 31, 2024**Unit: Million VND*

ITEMS	Notes	Dec. 31, 2024	Dec. 31, 2023
<b>A. ASSETS</b>			
<b>I. Cash, gold, silver and gemstones</b>	V.01	296,645	248,513
<b>II. Balances with the State Bank of Vietnam ("SBV")</b>	V.02	3,507,305	2,287,057
<b>III. Balances with and loans to other credit institutions ("CIs")</b>	V.03	15,073,929	8,460,903
1. Balances with other CIs		15,073,929	8,460,903
2. Loans to other CIs		-	-
3. Provisions for balances with and loans to other CIs		-	-
<b>IV. Trading securities</b>		-	-
<b>V. Derivatives and other financial assets</b>		-	-
<b>VI. Loans to customers</b>		69,978,404	54,266,164
1. Loans to customers	V.04	71,174,720	55,344,259
2. Provisions for loans to customers	V.05	(1,196,316)	(1,078,095)
<b>VII. Purchased debts</b>		-	-
<b>VIII. Investment securities</b>	V.06	18,718,304	13,111,761
1. Available-for-sale securities		4,550,275	7,736,856
2. Held-to-maturity securities		14,325,518	5,652,828
3. Provisions for investment securities		(157,489)	(277,923)
<b>IX. Capital contributions, long-term investments</b>	V.07	371,244	654,682
1. Investments in subsidiaries		-	-
2. Investments in joint-ventures companies		-	-
3. Investments in associates		-	-
4. Other long-term investments		719,600	719,600
5. Provisions for long-term investments		(348,356)	(64,918)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

Unit: Million VND

ITEMS	Notes	Dec. 31, 2024	Dec. 31, 2023
<b>X. Fixed assets</b>		<b>922,110</b>	<b>785,746</b>
1. Tangible fixed assets	V.08	208,567	171,708
a. Cost		397,059	363,648
b. Accumulated depreciation		(188,492)	(191,940)
2. Finance lease fixed assets		-	-
3. Intangible fixed assets	V.09	713,543	614,038
a. Cost		849,448	735,147
b. Accumulated amortization		(135,905)	(121,109)
<b>XI. Investment properties</b>		<b>-</b>	<b>-</b>
<b>XII. Other assets</b>	V.10	<b>9,630,775</b>	<b>16,434,673</b>
1. Receivables		8,192,892	10,601,989
2. Accrued interest and fees receivables		499,530	3,569,597
3. Deferred tax assets		-	-
4. Other assets		2,617,793	2,482,357
- In which: Goodwill		-	-
5. Provisions for other assets		(1,679,440)	(219,270)
<b>TOTAL ASSETS</b>		<b>118,498,716</b>	<b>96,249,499</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

Unit: Million VND

ITEMS	Notes	Dec. 31, 2024	Dec. 31, 2023
<b>B. LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>I. Amounts due to the Government and the SBV</b>			
		-	-
<b>II. Deposits and borrowings from other CIs</b>			
	V.11	10,036,450	9,030,301
1. Deposits from other CIs		10,036,450	9,030,301
2. Borrowings from other CIs		-	-
<b>III. Deposits from customers</b>			
	V.12	96,117,186	76,850,214
<b>IV. Derivative and other financial liabilities</b>			
		86,313	26,407
<b>V. Borrowed and entrusted funds</b>			
	V.13	11,150	16,658
<b>VI. Valuable papers issued</b>			
	V.14	4,304,643	3,166,906
<b>VII. Other liabilities</b>			
	V.15	1,850,128	2,064,341
1. Accrued interest and fee payables		1,186,011	1,806,629
2. Deferred tax liabilities		-	-
3. Other liabilities		664,117	257,712
4. Provisions for other losses (for off-balance sheet contingencies and commitments)		-	-
<b>TOTAL LIABILITIES</b>		<b>112,405,870</b>	<b>91,154,827</b>
<b>VIII. Shareholders' equity</b>			
	V.16	6,092,846	5,094,672
1. Capital		11,749,988	5,571,911
a. Charter Capital		11,779,848	5,601,555
b. Construction investment capital		-	-
c. Share premium		(216)	-
d. Treasury share		(29,644)	(29,644)
2. Reserves		106,551	157,516
3. Foreign exchange differences		-	-
4. Difference upon asset revaluation		-	-
5. Retained earnings		(5,763,693)	(634,755)
a. Current year's retained earnings		(5,128,938)	(669,556)
b. Previous year's retained earnings		(634,755)	34,801
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>118,498,716</b>	<b>96,249,499</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

Unit: Million VND

## OFF BALANCE SHEET ITEMS

ITEMS	Notes	Dec. 31, 2024	Dec. 31, 2023
1. Credit guarantees	VIII.29	28,644	28,644
2. Foreign exchange commitments	VIII.29	13,317,723	4,438,665
2.1 Foreign exchange commitments - buy		1,397,853	-
2.2 Foreign exchange commitments - sell		889,543	72,765
2.3 Swap commitments		11,030,327	4,365,900
2.4 Forward commitments		-	-
3. Irrevocable loan commitments		-	-
4. Letters of credit	VIII.29	204,014	417,270
5. Other guarantees	VIII.29	5,435,180	2,871,193
6. Other commitments	VIII.29	8,838,410	4,442,664
7. Uncollected interests and fees receivable		20,410,771	10,090,644
8. Bad debts written-off		1,601,096	978,304
9. Other assets and receipts		55,128,422	23,992,325

Prepared by



Ms. Do Quynh Trang

Chief Accountant



Ms. Bui Thi Khanh Van

Ha Noi, February 28, 2025

Chief Executive Officer



Mr. Ta Kieu Hung

## CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2024

Unit: Million VND

ITEMS	Notes	Year 2024	Year 2023
1. Interest and similar income	VI.17	2,928,691	6,433,619
2. Interest and similar expenses	VI.18	4,710,884	5,976,390
<b>I. Net interest and similar income</b>		<b>(1,782,193)</b>	<b>457,229</b>
3. Fee and commission income		165,438	102,350
4. Fee and commission expenses		90,470	68,832
<b>II. Net fee and commission income</b>	VI.19	<b>74,968</b>	<b>33,518</b>
<b>III. Net gain/(loss) from trading of foreign currencies</b>	VI.20	<b>125,512</b>	<b>202,454</b>
<b>IV. Net gain/(loss) from trading securities</b>		-	-
<b>V. Net gain/(loss) from trading of investment securities</b>	VI.21	<b>131,422</b>	<b>160,484</b>
5. Other income		67,669	82,286
6. Other expenses		89,876	216,819
<b>VI. Net gain/(loss) from other operating activities</b>	VI.22	<b>(22,207)</b>	<b>(134,533)</b>
<b>VII. Income from capital contributions and equity investments</b>		-	-
<b>VIII. Operating expenses</b>	VI.23	<b>3,392,048</b>	<b>1,238,721</b>
<b>IX. Net operating income before provision for credit losses</b>		<b>(4,864,546)</b>	<b>(519,569)</b>
<b>X.1 Provision for credit losses</b>		<b>263,544</b>	<b>146,950</b>
<b>XI. Total profit before tax</b>		<b>(5,128,090)</b>	<b>(666,519)</b>
7. Current corporate income tax expense		848	3,037
8. Deferred income tax expense		-	-
<b>XII. Corporate income tax expense</b>	VI.24	<b>848</b>	<b>3,037</b>
<b>XIII. Profit after tax</b>		<b>(5,128,938)</b>	<b>(669,556)</b>
<b>XIV. Non-controlling interest</b>		-	-
<b>XV. Earnings per share (VND/one share)</b>	V.16.2	<b>(8,394)</b>	<b>(1,202)</b>

Ha Noi, February 28, 2025

Prepared by



Ms. Do Quynh Trang

Chief Accountant



Ms. Bui Thi Khanh Van

Chief Executive Officer




**CONSOLIDATED CASH FLOW STATEMENT****(Under direct method)***For the year ended December 31, 2024**Unit: Million VND*

ITEMS	Notes	Year 2024	Year 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01. Interest and similar income received		6,003,959	4,379,491
02. Interest and similar expenses paid		(5,327,730)	(5,803,178)
03. Net fee and commission income received		71,825	33,728
04. Net receipts from/payment for foreign currencies, gold and securities trading activities		335,270	362,938
05. Other income received		(28,812)	(24,558)
06. Receipts from recovery of loans previously written-off		1,531	239
07. Payments for operating and salary expenses		(1,209,704)	(880,281)
08. Corporate income tax paid during the year		(175)	(3,907)
<i>Net cash flows from operating activities before changes in operating assets and liabilities</i>		<b>(153,836)</b>	<b>(1,935,528)</b>
<i>(Increase)/decrease in operating assets</i>			
09. Balance with and loans to other CIs		-	-
10. Trading securities		(5,486,109)	(1,505,558)
11. Derivatives and other financial assets		-	223,373
12. Loans to customers		(15,830,461)	(7,621,986)
13. Utilisation of provision for credit losses		(275,190)	(192,553)
14. Other operating assets		1,816,935	(445,347)

**CONSOLIDATED CASH FLOW STATEMENT**

(Under direct method)

For the year ended December 31, 2024

Unit: Million VND

ITEMS	Notes	Year 2024	Year 2023
<i>Increase/(decrease) in operating liabilities</i>			
15. Borrowings from the Government and the SBV		-	-
16. Deposits and borrowings from other CIs		1,006,149	513,057
17. Deposits from customers		19,266,972	5,499,885
18. Valuable papers issued		763,602	1,170,151
19. Borrowed and entrusted funds		(5,508)	(5,582)
20. Derivative and other financial liabilities		59,906	26,407
21. Other operating liabilities		403,432	(406,392)
22. Use of reserves		(50,965)	-
<b>I. Net cash flows from operating activities</b>		<b>1,514,927</b>	<b>(4,680,073)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
01. Payments for purchase of fixed assets		(184,977)	(105,463)
02. Proceeds from disposal of fixed assets		1,602	1,370
03. Payments for disposals of fixed assets		(2,358)	(11,775)
04. Payments for purchase of investment properties		-	-
05. Proceeds from disposals of investment properties		-	-
06. Payments for disposals of investment properties		-	-
07. Proceeds from investments in other entities		-	-
08. Collections from investments in other entities		-	-
09. Dividends received and profit shared from long-term investments and capital contributions		-	-
<b>II. Net cash flows from investing activities</b>		<b>(185,733)</b>	<b>(115,868)</b>

**CONSOLIDATED CASH FLOW STATEMENT**

(Under direct method)

For the year ended December 31, 2024

Unit: Million VND

ITEMS	Notes	Year 2024	Year 2023
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
01. Increase in share capital due to capital contribution and/or share issuance		6,178,077	-
02. Proceeds from issuance of settlement of long-term valuable papers eligible for recognition as shareholders' equity and other long-term loans		374,135	-
03. Payment for settlement of long-term valuable papers eligible for recognition as owners' equity and other long-term loans		-	-
04. Dividends paid to shareholders and profits distributed		-	-
05. Payment for buying treasury shares		-	-
06. Proceeds from selling treasury shares		-	-
<b>III. Net cash flows from financing activities</b>		<b>6,552,212</b>	<b>-</b>
<b>IV. Net cash flows during the year</b>		<b>7,881,406</b>	<b>(4,795,941)</b>
<b>V. Cash and cash equivalents at the beginning of the year</b>		<b>10,996,473</b>	<b>15,792,414</b>
<b>VI. Adjustments to impacts of exchange rate changes</b>		<b>-</b>	<b>-</b>
<b>VII. Cash and cash equivalents at the end of the year</b>	<b>VII.25</b>	<b>18,877,879</b>	<b>10,996,473</b>

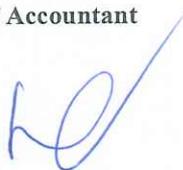
Ha Noi, February 28, 2025

Prepared by



Ms. Do Quynh Trang

Chief Accountant



Ms. Bui Thi Khanh Van

Chief Executive Officer



Mr. Ta Kieu Hung

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND***I. Bank's information****1. Establishment and operation licence**

Previously, the Bank was known as Song Kien Commercial Joint Stock Bank, a joint stock bank established under License No. 00057/NH-GP dated September 18, 1995 issued by the State Bank of Vietnam, replaced by License No. 12/GP-NHNN issued by the State Bank of Vietnam on March 10, 2023, and Establishment License No. 1217/GP-UB issued by the People's Committee of Kien Giang Province on October 17, 1995.

The National Citizen Commercial Joint Stock Bank ("the Bank") was renamed from Nam Viet Commercial Joint Stock Bank on May 06, 2014.

The Establishment and Operation License No. 12/GP-NHNN dated March 10, 2023 was amended in Article 2 regarding charter capital according to Decision No. 2722/QD-NHNN dated December 20, 2024.

The Bank operates its business under Business Registration Certificate No. 1700169765 issued by the Hanoi Department of Planning and Investment (initially registered under Business Registration Certificate number 050046 dated November 02, 1995 by the Kien Giang Provincial Planning Committee), with the 22nd amendment to the Business Registration Certificate dated August 02, 2023.

The operating duration is 50 years since September 18, 1995.

**2. Structure of Ownership: Share capital****3. The Bank's principal activities**

- Mobilizing and receiving short, medium and long-term deposit funds from organizations of economic sectors and individuals;
- Lending on short, medium and long-term basis up to the nature and ability of the Bank's capital resources;
- Discounting commercial papers, bonds and valuable papers;
- Conducting investments in subsidiaries, associates, joint-ventures and other companies
- Providing settlement and cash services to customers;
- Conducting investments and dealing in foreign exchange, international settlement services and other banking services as approved by the State Bank of Vietnam;

**4. Head office**

Head office: No.25 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung Dist., Ha Noi City.

As at December 31, 2024, the Bank's charter capital is million VND 11,779,848.

Until the issuing date of the consolidated financial statements, the Bank has had 1 head office, 22 branches, 42 transaction offices. The branches are opened in the whole country: Northern, Middle, Southern Regions.

**5. Consolidated subsidiaries**

The Bank has a wholly - owned subsidiary, National Citizen Assets Management Co.,Ltd which was established under Decision No. 2406/QD-NHNN dated December 19, 2006 issued by the State Bank of Vietnam; The company operates under the Business Registration Certificate No. 0304767745 issued by the Department of Planning and Investment of Ho Chi Minh City (first registration on December 28, 2006, registration for the 14th change on Feb 19, 2024) with the Bank's capital contribution ratio of 100%.

Its principal activities are managing outstanding debt and related collateral of bank in order to collect debt in fastest manner.

**6. Total number of employees to December 31, 2024:** 2,085 employees. (Total employees to December 31, 2023: 1,973 employees).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND***II. Accounting Period and Reporting Currency**

1. **Fiscal year:** The fiscal year starts on 1 January and ends on 31 December annually.
2. **Reporting currency:** VND.

**III. Adoption of Accounting Standards and Policies****Disclosure of compliance with Vietnamese Accounting Standards and the prevailing regulations**

The Bank's consolidated financial statements are prepared at original cost and in compliance with Vietnamese Accounting Standards, the Financial Reporting Regime for Credit Institutions, the regulations of the State Bank of Vietnam, and relevant legal provisions related to the preparation of consolidated financial statements. The consolidated financial statements, therefore, do not aim to present the consolidated financial position of the Bank as well as its consolidated operating results and consolidated cash flows in accordance with accounting principles and practices accepted in countries and jurisdiction other than the Socialist Republic of Vietnam. The accounting principles and practices used in Vietnam may differ from those in other countries.

**Accounting System**

The Bank applies the accounting system applicable to credit institutions in accordance with Decision No. 479/2004/QĐ-NHNN dated April 29, 2004, financial reporting policies for credit institutions under Decision No. 16/2007/QĐ-NHNN dated April 18, 2007, Circular No. 10/2014/TT-NHNN dated March 20, 2014, Circular No. 49/2014/TT-NHNN dated December 31, 2014 and Circular No. 22/2017/TT-NHNN dated December 29, 2017, Circular 27/2021/TT-NHNN dated December 31, 2021 issued by the State Bank of Vietnam and related accounting standards.

**Basis of measurement and accounting estimates applied**

The presentation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities. These estimates and assumptions also affect the reported income, expenses and provisions. These estimates are based on assumptions about a number of factors that involve varying degrees of subjectivity and uncertainty. As a result, actual results may vary, resulting in adjustments to the related items in the future.

**IV. Applicable Accounting policies****1. Accounting policies for items under the Restructuring Plan for the period 2023-2025 and the orientation towards 2030**

Implementing the "Scheme for Restructuring the System of Credit Institutions in Association with Handling Bad Debts for the 2021-2025 Period" issued under Decision No. 689/QĐ-TTg dated June 08, 2022 by the Prime Minister, based on the approval contents and opinions of the State Bank of Vietnam under Official Letter 62/NHNN-TTGSNH dated February 07, 2024 ("Official Letter 62"), the Bank has completed the construction and approval of the Restructuring Plan for the period 2023-2025 and the Orientation towards 2030 ("Restructuring Plan") according to Resolution No. 1429/2024/NQ-HĐQT dated June 28, 2024, in accordance with the law, and reported to the State Bank of Vietnam.

In the Restructuring Plan for the period 2023-2025 and Orientation towards 2030, the Bank has comprehensively presented the current status of the Bank's operations in various aspects: internal control system, information technology infrastructure, asset quality, financial status, identification of problematic debts requiring appropriate handling mechanisms; based on this, determining comprehensive and overall objectives and solutions, including:

- Financial solutions: increasing charter capital; handling and recovering bad debts and outstanding assets;
- Solutions for additional risk provisioning and reversing accrued interest;
- Solutions for developing safe business operations, aiming to thoroughly address existing issues and enhance the Bank's operational efficiency, ensuring the Bank's healthy, safe, and sustainable development.

The content of the Restructuring Plan for the period 2023-2025 and Orientation towards 2030 approved and implemented according to Resolution No. 1429/2024/NQ-HĐQT is the basis for recognizing, evaluating, and presenting related items in these consolidated financial statements and is specifically presented in Note VIII.35 Other informations and information on going concern.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND***2. Changes in accounting policies and disclosures**

The accounting policies adopted by the Bank in the preparation of these consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended December 31, 2023, except for the following changes:

***Law on Credit Institutions (Law No. 32/2024/QH15) dated January 18, 2024 and Circular No. 21/2024/TT-NHNN dated June 28, 2024 ("Circular 21")***

According to the Law on Credit Institutions and Circular 21, effective from July 01, 2024, letters of credit is a form of credit extension through issuance, confirmation, negotiation of payment or reimbursement of L/C to facilitate the purchase and sale of goods and services. Transitional provisions of the Law on Credit Institutions and Circular 21 state that: "Other contracts, agreements, commitments, and transactions related to letter of credit operations signed before the effective date of Circular 21, can continue to be implemented, monitored until their validity expires and all related obligations are fulfilled. Any amendments, supplements, or extensions to these agreements must comply with Circular 21's regulations". The Bank has made accounting recognition in accordance with these transitional provisions.

***Circular No. 06/2024/TT-NHNN dated June 18, 2024 ("Circular 06") amended and supplemented a number of articles of Circular No. 02/2023/TT-NHNN dated April 23, 2023 ("Circular 02")***

On June 18, 2024, the State Bank of Vietnam issued Circular 06 amending and supplementing a number of provisions of Circular 02 regarding the restructuring of repayment periods and maintenance of debt groups by credit institutions and foreign bank branches to support customers facing difficulties. Circular 06 is effective from June 18, 2024. The changes related to accounting policies in Circular 06 are as follows:

- Extension of the period for incurring principal/or interest payment obligations of restructured debts until December 31, 2024;
- Extension of the period for credit institutions to restructure repayment periods for customers until December 31, 2024.

***Circular No. 31/2024/TT-NHNN dated June 30, 2024 ("Circular 31") replaces Circular No. 11/2021/TT-NHNN dated July 30, 2021 ("Circular 11")***

On June 30, 2024, the State Bank of Vietnam issued Circular 31 prescribing classification of assets in operations of commercial banks, non-bank credit institutions and foreign bank branches. This Circular takes effect from July 01, 2024, replacing Circular 11. The main changes of Circular 31 affecting the estimation of provisions are as follows:

- Amending the debt classification principles for debts arising from factoring activities;
- Supplementing the debt classification principles for debts arising from letter of credit transactions, outright purchase transactions without recourse of documents presented under letter of credit transactions and some other transactions.

***Decree 86/2024/ND-CP dated July 11, 2024 ("Decree 86")***

On July 11, 2024, the Government issued Decree 86 providing for amounts and methods of establishing risk provisions and use of provisions for management of risks arising from operations of credit institutions and foreign bank branches and cases in which credit institutions allocate forgivable interest. This decree takes effect from July 11, 2024.

***Circular No. 53/2024/TT-NHNN dated December 04, 2024 ("Circular 53")***

On December 04, 2024, the State Bank of Vietnam issued Circular 53 regulating the restructuring of debt repayment terms for customers facing difficulties due to the impact and damage of Typhoon No. 3, floods, landslides after Typhoon No. 3. This circular takes effect from December 04, 2024.

***Decision No. 1510/QĐ-TTg dated December 04, 2024 ("Decision 1510")***

On December 04, 2024, the Prime Minister issued Decision 1510 regulating the classification of assets, provision rate, methods of risk provisions, and the use of provisions to handle risks for debts of customers facing difficulties due to the impact and damage of Typhoon No. 3. This decision takes effect from December 04, 2024.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND***3. Foreign currency conversion**

The exchange rate used for accounting of foreign currency buying and selling transactions is the actual buying and selling rate at the time of arising.

The exchange rate used to account for other foreign currency transactions to convert into Vietnam dong is the average exchange rate of buying and selling spot transfer of that foreign currency at the transaction date.

The ending balance of monetary items in foreign currencies must be revalued at the spot exchange rate at the end of the last working day of the reporting period, if this rate is less than 1% compared to the weighted average buying and selling exchange rate of the last working day of the reporting period. If this exchange rate is greater than 1% compared to the weighted average buying and selling exchange rate of the last working day of the reporting period, the weighted average exchange rate should be used.

Exchange rate as at December 31, 2024

25,416 VND/USD	163 VND/JPY	746 VND/THB
17,759 VND/CAD	15,863 VND/AUD	
26,538 VND/EUR	18,758 VND/SGD	
32,460 VND/GBP	28,225 VND/CHF	

**4. Principles for consolidating the financial statements**

A subsidiary is an entity controlled by the Bank. 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 control, potential voting rights that are currently exercisable are taken into account. The financial statements of a subsidiary are included in the consolidated financial statements from the date on which the Bank obtains control until the date that such control ceases.

Internal balances, transactions and income/expenses arising from internal transactions between subsidiaries and the Bank are eliminated in preparing the consolidated financial statements. The accounting policies of subsidiaries are also changed when necessary to ensure consistency with the accounting policies adopted by the Bank.

**5. Cash and cash equivalents**

Cash and cash equivalents comprise cash, gold, balances with the SBV, treasury bills and other short-term valuable papers eligible for rediscount with the SBV, balances with other financial institutions and other CIs that are without a term and mature not exceeding three (03) months from the transaction date and securities with recovery or maturity of three (03) months or less from date of purchase.

**6. Balances with and loans to other CIs**

Deposits and loans to other credit institutions are disclosed and presented at their principal balances at the end of the accounting period.

The classification of credit risk for deposits and loans to other credit institutions and the corresponding provisioning is carried out in accordance with Circular 31 and Decree 86. Accordingly, the Bank makes specific provisions for deposits (excluding demand deposits at credit institutions, foreign bank branches, deposits at social policy banks as per the regulations of the Governor of the State Bank of Vietnam regarding state credit institutions maintaining deposit balances at social policy banks) at credit institutions, foreign bank branches in accordance with the law, and deposits (excluding demand deposits at foreign credit institutions) as per the method stated in Note IV.11. According to Decree 86, the Bank is not required to make general provisions for the above-mentioned deposits and loans.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND***7. Derivative financial instruments and hedge accounting**

The Bank engages in foreign exchange forward contracts, swap contracts, and futures contracts to facilitate customers in transferring, adjusting or reducing exchange rate risks or other market risks, as well as to serve the Bank's business objectives.

Foreign currency forward contracts are agreements to buy or sell a specific currency at a predetermined exchange rate on a future date, settled in cash. These contracts are initially recorded at their nominal value on the transaction date and subsequently revalued periodically. The difference arising from this revaluation is recorded in the "Foreign Exchange Differences" item within "Shareholders' Equity" and transferred to the consolidated income statement at the end of the accounting period.

Currency swap contracts are commitments that include a commitment to buy and a commitment to sell the same amount of one currency for another at exchange rates determined at the time of the transaction, with different settlement dates for the two commitments. The premium or discount resulting from the difference between the spot exchange rate on the effective date of the contract and the forward rate will be recognized immediately on the effective date of the contract as an asset if positive or a liability if negative on the consolidated financial statements. This difference will be amortized on a straight-line basis into the consolidated income statement over the term of the contract.

The notional amounts of interest rate swap contracts are not recognized on the consolidated financial statements. The interest rate swap differential is recognized in the consolidated income statement on an accrual basis.

**8. Accounting for interest income, interest expense and discontinuation of interest accrual**

Interest income is recognised in the consolidated statement of income on an accrual basis for loans classified as current loans that are not subject to specific provisioning.

For other debts (including restructured debts maintained as standard debts according to Circular 01, Circular 03, Circular 14, Circular 02, and Circular 53), the interest on these debts is recognized in the consolidated income statement when the Bank actually receives it.

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

**9. Fee and commission income**

Fee and commission income, including fees received from payment services, treasury services, fees from guarantee services, and other services, is recognized by the Bank in the consolidated statement of income when incurred.

**10. Accounting for loans to customers, factoring activities****10.1 Accounting for loans to customers**

Loans to customers are stated at the balances of loans (principal) less provision for loan losses.

Short-term loans are those with a term of up to one year from the disbursement date. Medium-term loans are those with a term of over one year to five years and long-term loans are those with a term of over five years from the disbursement date.

The classification of loans and provisioning for credit risk are carried out in accordance with Circular 31 and Decree 86 as presented in Note IV.11.

**10.2 Factoring activities*****Selling debts to Vietnam Asset Management Company ("VAMC"), factoring company and other institutions***

- The Bank sells debts to VAMC in compliance with Decree No. 53/2013/NĐ-CP issued on May 18, 2013 of the Government, Decree No. 34/2015/NĐ-CP dated March 31, 2015 amending and supplementing some articles of Decree 53/2013/NĐ-CP, Circular No. 19/2013/TT-NHNN dated September 06, 2013 of the State Bank of Vietnam stipulating on trading, handling doubtful debts of Asset Management Company.

Special bonds issued by VAMC corresponding the doubtful debts that Bank sells are recorded as held-to-maturity debt securities.

- The Bank sells debts to factoring company and other institutions in compliance with Circular No. 09/2015/TT-NHNN dated July 17, 2015 of the State Bank of Vietnam.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND*

The differences between the selling price and book value of the sold debts are recorded as receivables and has been allocating to consolidated income statement as equal as the minimums difference between the received and paid from the business activities in the year according to the Decree No. 42/2017/QH14 issued by the National Assembly, effected from August 15, 2017 on the pilot implementation of solving the bad debts of credit institutions. The maximum allocation period does not exceed 10 years.

Provisions for these sold but uncollected debts (including debts of VAMC and other debt trading companies) are made based on the Bank's financial capacity according to the roadmap established until 2030 in the approved Restructuring Plan. The Bank periodically reports to the SBV on the progress of implementation according to the approved Restructuring Plan.

**11. Debt classification and provision for credit risk**

The Bank applies the quantitative method prescribed in Article 10 of Circular 31 in classifying debts for assets (hereinafter referred to as "debts") including:

- Lending;
- Finance leasing;
- Discounting, rediscounting of negotiable instruments and other securities;
- Factoring;
- Credit extension by issuance of credit cards;
- On-behalf payments under off-balance sheet commitments (including payments made on behalf of customers to fulfill their obligations under guarantee agreements and in letter of credit (L/C) operations (except for the cases specified in point n of this Clause) and other on-behalf payments under off-balance sheet commitments);
- Purchase and entrusted purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on securities market or have not yet been registered for trading on the UPCoM trading system (hereinafter referred to as "unlisted bonds"), excluding the purchase of unlisted bonds with trusted funds to which the trustee bears the risk;
- Entrustment for credit extension;
- Making deposits (except for demand deposits made at credit institutions and foreign bank branches ("FBBs"), deposits made at social policy banks in accordance with regulations of the Governor of the State Bank of Vietnam on state-owned credit institutions' maintenance of balance of deposits at social policy banks) at credit institutions and FBBs as prescribed by law, and making deposits (except for demand deposits) at overseas credit institutions;
- Buying and selling debts according to regulations of the State Bank of Vietnam (hereinafter referred to as "SBV"), except for bad debt buying and selling transactions conducted between credit institutions or FBBs and Vietnam Asset Management Company ("VAMC");
- Repos of government bonds on securities market in accordance with regulations of law on issuance, registration, depositing, listing and trading of government debt instruments on securities market;
- Purchase of certificates of deposit issued by other credit institutions and FBBs;
- Issuance of deferred payment L/Cs containing a provision that the beneficiary is entitled to receive sight payment or advanced payment before the L/C due date, and L/C reimbursement in the form of an agreement with the customer to make payment using the reimbursing bank's funds from the date on which the reimbursing bank pays the beneficiary; L/C payment by negotiation;
- Outright purchase without recourse of sets of documents presented under L/Cs, except where a commercial bank or FBB buys outright a set of documents presented under an L/C which it issued.

Accordingly, the customer's debt group is the debt group with the highest risk when performing debt classification simultaneously according to Article 10, Article 11 of Circular 31 and the highest debt group at the customer's credit institutions provided by the Credit Information Center of Vietnam ("CIC") of the State Bank at the time of debt classification.

Debts are classified according to the risk levels as follows: Standard debts, Debts needing attention, Substandard debts, Doubtful debts and Debts likely giving rise to lose. Bad debts are debts which are classified as Substandard debts, Doubtful debts and Potential loss of capital debts. Debts are classified and provision at the end of each month of the fiscal year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

From March 13 2020 to June 30, 2022, the Bank applied the policy of loan restructuring, interest and/or fees exemption or reduction and loan classification retention for loans that meet conditions according to Circular No. 01/2020/TT-NHNN dated March 13, 2020 ("Circular 01"), Circular No. 03/2021/TT-NHNN ("Circular 03") dated April 02, 2021 and Circular No. 14/2021/TT-NHNN ("Circular 14") dated September 07, 2021 issued by the State Bank of Vietnam providing regulations on loan restructuring, interest and/or fees exemption or reduction and loan classification retention to assist customers affected by the COVID-19 pandemic.

The Bank applies Circular No. 02/2023/TT-NHNN dated April 24, 2023 ("Circular 02") issued by the State Bank of Vietnam regulating about credit institutions and foreign bank branches restructuring the debt repayment period and maintain the same debt group to support customers in difficulty. Accordingly, the Bank considers restructuring the repayment period for the principal and/or interest balance of debts based on customers' requests, financial capacity of credit institutions, foreign bank branches and meeting the regulations in Article 4 of Circular 02.

From December 04, 2024, the Bank has applied policies to restructure debt repayment terms and maintain debt classification to support customers meeting the requirements of Circular 53 and Decision 1510, which regulate the restructuring of debt repayment terms and maintaining debt classification to support customers facing difficulties due to the impact and damage of Typhoon No. 3.

**Debt classification for off-balance sheet commitments**

The Bank classifies guarantees, letters of credit (except for cases where assets have been recorded), payment acceptances and irrevocable lending commitments and other commitments that incur credit risks (collectively referred to as off-balance sheet commitments) into groups specified in Article 9, Article 10 or Article 11 of Circular 31. Accordingly, off-balance sheet commitments are classified according to the following risk levels: Standard debt, Debt requiring attention, Substandard debt, Doubtful debt and Debt with potential loss of capital.

**General provision**

According to Article 7 of Decree 86, the general provision amount shall account for 0.75% of total outstanding balance of debts classified into groups 1 to 4, except the following:

- Deposits made at CIs and FBBs in accordance with regulations of law and at overseas CIs;
- Loans, forwards of valuable papers between CIs and FBBs in Vietnam;
- Purchases of certificates of deposit or bonds issued by CIs and FBBs onshore;
- Repos of government bonds on the securities market in accordance with law on issuance, registration, depositing, listing and trading of government debt instruments on securities market;
- Other debts derived from the operations specified in clause 2 Article 3 of this Decree between CIs and FBBs in Vietnam as prescribed by law.

**Specific provision**

Specific provision is made on monthly basis and recorded in the Bank's consolidated income statement. The specific provision as at 31 December is made based on the outstanding principal balance less collaterals' discounted value, then multiplied by provision rates which are determined based on the debt classification as at 31 December. The basis for determination of the value and discounted value for each type of collateral is specified in Decree 86. The debt classification and specific provision rates for each group are presented as follows:

Group	Classifications of debt	% of specific provision
Group 1	Current debts	0%
Group 2	Special mentioned debts	5%
Group 3	Sub-standard debts	20%
Group 4	Doubtful debts	50%
Group 5	Loss debts	100%

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND*

For the debts identified in the Restructuring Plan, the Bank has been approved by the SBV for a settlement plan according to the roadmap developed by the Bank until the end of 2030. Provisions are made according to the roadmap of the Restructuring Plan. The Bank periodically reports to the State Bank on the progress of implementation according to the approved Restructuring Plan.

***Using credit risk provision***

Provisions are recognized as an expense in the consolidated statement of income and are used to settle debts classified in group 5, liquidated, bankrupt, or deceased or missing person and to deal with the loss of property for the debt in accordance with Decree 86.

**12. Investment securities****12.1. Classification**

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

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

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

**12.2 Recognition**

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

**12.3 Measurement**

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

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

Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular 48/2019/TT-BTC issued by the Ministry of Finance on August 8, 2019 and Circular 24/2022/TT-BTC issued by the Ministry of Finance on April 7, 2022. Provision for diminution is recognized in the "Net gain/(loss) from trading of investment securities" item of the consolidated statement of profit or loss.

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

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

The Bank is required to make provision for credit risk for corporate bonds (including bonds issued by other CIs) which have not yet been listed on stock exchanges or have not yet been registered for trading on the UPCoM trading system under Circular 31 and Decree 86 as described in Note IV.11.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND*

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

**12.4 De-recognition**

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

**12.5 Special debt securities issued by VAMC**

Special debt securities issued by VAMC are term valuable papers issued by VAMC to buy non-performing debts of the Bank and recorded as held-to-maturity debt securities.

Special debt securities are recorded at face value at the transaction date and recognized at the face value less specific provision during the holding term.

The face value of special debt securities is equivalent to the book value of outstanding principal portion of the doubtful debt after deducting the specific provision which has been made but unused of that debt.

Specific provisions for special bonds are made based on financial capacity until 2030 according to the restructuring plan approved by competent authorities. The Bank periodically reports to the State Bank on the progress of implementation according to the approved restructuring plan.

**13. Capital contribution, long-term investments****13.1. Accounting for Other Long-Term Investments**

Long-term investments are investments with the rate lower than 11% of the equity of the economic organizations in which the Bank is a founding shareholders or strategic partner or holds control over the establishment, decisions on financial policies and operations throughout the agreement on delegation of staffs joining in the Board of Management. Long-term investments are recorded at original cost.

For other long-term investments, the Bank plans to divest its investment under roadmap of the Restructuring Plan approved by the SBV.

**13.2. Provision for long-term investments**

Provision for long-term financial investments is made when the Bank determines economic institutions that the Bank invests suffers from loss (except for the loss that was defined in the business plan before investment) in compliance with Circular 48 and Circular 24. Accordingly, the provision for long-term financial investments is the difference between the actual paid-in capital of parties at the economic institutions and actual owners' equity multiply (x) the ratio of the Bank's invested capital against total actual paid-in capital of parties at the economic institutions. For investments in listed securities or where the market value of the investment is reliably determined, provisions are made based on the market value of the securities.

**14. Accounting for tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises all expenditures of bringing the asset to its working condition and location for its intended use. The expenditures incurred beyond their originally assessed standard of performance are capitalised as an additional cost of tangible fixed assets when they have resulted in an increase in the future economic benefits expected to be obtained from the use of those tangible fixed assets. The expenditures which do not meet the above conditions are charged to the expenses in the year.

When the assets are sold or disposed, their original costs and the accumulated depreciation which have been written off and any gain or loss from disposal of assets are recorded in the consolidated income statement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

Determination of original costs of tangible fixed assets:

*Tangible fixed assets purchased*

The original cost of purchased tangible fixed assets consists of the actual purchase price less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation such as fees for installation and trial operation of fixed assets; specialists and other direct costs.

The original cost of a tangible fixed asset formed from capital construction under the mode of tendering is the finalisation price of the construction project, other relevant fees plus (+) registration fee (if any).

Fixed assets which are buildings, structures attached to land use right, the value of land use right is computed consolidatedly and recorded as intangible fixed assets.

**15. Principles for recording intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortization. The original cost of a intangible fixed asset comprises all costs of owning the asset to the date it is put into operation as expected.

Principles for recording intangible fixed assets:

*Purchase of consolidated intangible fixed assets*

The original cost of purchased intangible fixed assets consists of the actual purchase price less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation. The land use rights which are purchased together with buildings, structures will be determined separately and recorded as intangible fixed assets.

*Land use right*

The original cost of a fixed asset which is the land use right is the payment made to obtain the lawful land use right plus (+) compensatory payments for clearance of site, expenses for leveling the ground, registration fee...or land use right as contribution in joint-venture.

*Computer software*

The original cost of computer software is the total of actual expenses incurred by the Company to obtain the computer software.

**16. Method of depreciating and amortizing fixed assets**

Depreciation is charged to write off the cost of fixed assets on a straight line basis over their estimated useful lives. Useful life means the duration in which the tangible fixed assets produce their effect on production and business.

*The estimated useful life for assets is as follows:*

<i>Buildings and structures</i>	<i>5 - 40 years</i>
<i>Machinery and equipment</i>	<i>3 - 5 years</i>
<i>Transportation and facilities</i>	<i>8 years</i>
<i>Accounting software</i>	<i>5 years</i>
<i>Other fixed assets</i>	<i>5 years</i>
<i>Intangible fixed assets</i>	<i>Maximum 20 years</i>

*Land use rights which are granted for an definite term are amortized in conformity with the term stated in the certificate of land use right.*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND***17. Provisions**

Provisions are recorded when: the Bank has present obligations as a result of past events; It is probable that an outflow of resources will be required to settle the obligation; The obligation is estimated reliably; Provision is not recorded for the operating loss in the future.

When there are similar obligations, the possibility of outflow of resources due to the settlement of obligations is determined by considering the whole group in general. Provision will be made through the outflow due to obligation settlement is very small.

**18. Deposits and borrowings from other CIs, deposits from customer and issuance of valuable papers**

Deposits and borrowings from other CIs, deposits from customers and issuance of valuable papers are presented at the principal balance at the end of the accounting period.

At initial recognition, valuable papers issuance costs are recorded as a reduction in the principal balance of the valuable papers issued. The Bank allocates these costs to "Interest and similar costs" using the straight-line method in accordance with the term of the valuable papers.

**19. Principles and methods for recognizing corporate income tax and corporate income tax expenses**

Income tax on the profit or loss for the year comprises current and deferred tax when profit or loss of one accounting period is determined.

Current tax: is the tax payable (or recoverable) on the taxable income and tax rate enacted in current year in accordance with the law on corporate income tax.

Deferred tax: is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax liability is provided for all temporary differences, deferred income tax asset is only provided when there is enough taxable profit in the future for deducting the temporary differences.

The carrying amount of deferred tax assets must be reassessed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax assets to be utilized. The unrecognized deferred tax assets will be reassessed at each balance sheet date and recognized to the extent that it has become probable future taxable profit will allow the deferred tax asset to be utilized.

The deferred tax is charged or credited in the consolidated income statement except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in equity.

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

The tax amounts payable to the State budget will be finalized with the tax office. Differences between the tax amounts payable specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has been issued by the tax office.

**20. Accounting for borrowing, issuance of debt securities, equity instruments**

Borrowing costs are interest and other costs incurred in direct relation to borrowings of an enterprise; Borrowing costs are recognised as an expense in the year in which they are incurred are capitalised as part of the cost of the assets concerned when they satisfy conditions stipulated in the Vietnamese Accounting Standards.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND***21. Shareholders' equity**

**The charter capital** is the amount that is contributed by shareholder and supplemented from the profit after tax according to the Resolution of the shareholder meeting or base on the charter of the Bank. The chartered capital will be recorded at the actual contributed capital by cash or assets calculated according to the par value of issued shares in the early establishment period or additional mobilization to expand operation.

**Share premium:** reflects the increase/decrease in the difference between the issuance price of shares and their par value when issuing shares for the first time or additional shares, as well as the increase/decrease in the difference between the issuance price of shares and the repurchase price when reissuing treasury shares. Any direct costs related to share issuance are recognized as a deduction from share premium.

**Treasury share:** is the share the Bank issued and purchased back. The payment for purchasing share, including directly attributable expenses, will be deducted into the owners' equity till the treasury share has been cancelled or reissued. The received amount from reissue or sale of the treasury share, deducting expenses related to the reissue or sale will be included in the owners' equity.

**Other shareholders' capital:** Business resource which is added from the operating result or offered, sponsored or under assets revaluation.

**Principle for recognising retained profit**

Principle for recognising retained profit: the retained profit is recorded as the profit (loss) from the Bank's result of operation after deducting the current year corporate income tax and the adjusted items due to the retroactive application of changes in accounting policy and adjustments for material misstatement of the previous year.

The distributing of profit is based on the charter of the Bank and the Board of Management proposal approved by the annual shareholder meeting.

**22. Entrustment activities at risk of credit institutions**

The Bank implements entrustment activities for lending on behalf of other economic or credit institutions.

The invested capital from entrustment and entrustment receiving activities is recorded when the entrustment contract has been signed and the entrusted fund has been implemented. Rights and obligations of entrustor and trustee to profit, distribution of profit, entrustment fee and other rights and obligation specified in the contract.

The Bank's entrustment activities include:

***Entrustment activities not exposed to risk***

Assets held for the purpose of managing on the behalf, investment entrustment receiving and lending are not considered as the Bank's assets and this not included in the financial statements.

***Entrustment receiving activities exposed to risk***

The Bank conducts entrustment receiving activities for lending customers. The Bank records debt outstanding from entrustment fund in loans to customers. The policies applicable to loans to customers is carried out in compliance with the State Bank of Vietnam as mentioned in Notes IV.10.

**23. Principles for recording earnings per share**

Basic earnings per share is calculated by dividing net income available to common shareholders before appropriating to Bonus and Welfare Fund by the weighted-average number of common shares outstanding during the period.

Diluted EPS is calculated by dividing net income available to common shareholders (after adjusting dividends of preferred convertible shares) by the weighted-average number of common share outstanding and the weighted-average number to be issued in case where all dilutive potential common are converted into common shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 24. 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. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

## V. Additional Information for Items Presented in the Statement of Financial Position

	Dec. 31, 2024	Dec. 31, 2023
<b>1. Cash, gold, silver and gemstones</b>		
Cash on hand in VND	240,919	224,404
Cash on hand in foreign currencies	55,726	24,109
<b>Total</b>	<b>296,645</b>	<b>248,513</b>
<b>2. Balances with the State Bank of Vietnam</b>	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
Balances with the State Bank of Vietnam	3,507,305	2,287,057
VND	3,489,130	2,251,489
Foreign currencies	18,175	35,568
<b>Total</b>	<b>3,507,305</b>	<b>2,287,057</b>

The compulsory reserve must be deposited with the State Bank of Vietnam. The balance is calculated in advance for 30 days, adjusted once a month and is calculated at 3% of the average balance of customer deposits in Vietnamese Dong with no term and with a term of less than one year and 1% of the average balance of customer deposits in Vietnamese Dong with a term of one year or more, at 8% of the average balance of customer deposits in foreign currency with a term of less than one year and 6% of the average balance of customer deposits in foreign currency with a term of one year or more, at 1% of the average balance of foreign currency deposits of overseas banks, all calculated on the average balance of deposits of the previous month. The account at the State Bank of Vietnam also includes deposits for clearing and other payments.

## 3. Balances with and loans to other CIs

	Dec. 31, 2024	Dec. 31, 2023
<b>Balances with other CIs</b>		
Demand deposits	9,323,929	5,460,903
VND	8,791,325	5,078,502
Foreign currencies	532,604	382,401
Term deposits	5,750,000	3,000,000
VND	5,750,000	3,000,000
Foreign currencies	-	-
<b>Total</b>	<b>15,073,929</b>	<b>8,460,903</b>
<b>Credit quality for balances with and loans to other CIs</b>	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
Current	5,750,000	3,000,000
<b>Total</b>	<b>5,750,000</b>	<b>3,000,000</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

	Dec. 31, 2024	Dec. 31, 2023
<b>4. Loans to customers</b>		
Loans to domestic organizations and individuals	71,137,541	55,298,120
Payment on behalf of customers	15,848	42,739
Loans financed by entrusted funds	13,933	3,400
Discounted bills and valuable papers	7,398	-
<b>Total</b>	<b>71,174,720</b>	<b>55,344,259</b>
<b>4.1. Analysis by quality of loans</b>		
	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
Current	55,935,874	36,737,199
Special mentioned	1,331,532	2,138,081
Sub-standard	280,960	276,539
Doubtful	438,642	2,527,379
Loss	13,187,712	13,665,061
<b>Total</b>	<b>71,174,720</b>	<b>55,344,259</b>
<b>4.2 Analysis by original term</b>		
	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
Short-term	22,385,410	20,767,054
Medium-term	30,409,105	21,059,422
Long-term	18,380,205	13,517,783
<b>Total</b>	<b>71,174,720</b>	<b>55,344,259</b>
<b>4.3 Analysis by customers' industry</b>		
	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
Agriculture, forestry and aquaculture	718,772	312,596
Processing and manufacturing	1,990,505	3,044,725
Construction	28,306,905	22,482,468
Wholesale and retail, repairing motor vehicle	3,883,557	3,492,150
Hotels and restaurants	2,722,327	719,091
Information and communication	799,147	798,752
Financing, banking and insurance activities	45,918	100,000
Administrative activities and support services	4,774,614	1,474,320
Other services	109,527	28,023
Other industries	7,560,896	3,975,051
Individuals	20,262,552	18,917,083
<b>Total</b>	<b>71,174,720</b>	<b>55,344,259</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 5. Movements in provisions for loans to customers

For changes (increase/decrease) of Credit Risk Provisions

<u>Current year</u>	<i>General provision</i>	<i>Specific provision</i>
Opening balance	312,594	765,501
Provisions made/ (reversed) during the year	122,309	99,114
Use reserve fund to handle bad debts	-	(142,573)
Increases in provisions due to receiving loans from VAMC	-	39,371
<b>Closing balance (*)</b>	<b>434,903</b>	<b>761,413</b>
<u>Previous year</u>		
Opening balance	343,698	615,964
Provisions made/ (reversed) during the year	(31,104)	139,221
Increases in provisions due to receiving loans from VAMC	-	10,316
<b>Closing balance</b>	<b>312,594</b>	<b>765,501</b>
<b>Details of balance of provisions at year-end (*)</b>	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
Provisions for risks of loans to customers	1,196,316	1,078,095
+ <i>General provision</i>	434,903	312,594
+ <i>Specific provision</i>	761,413	765,501
<b>Total</b>	<b>1,196,316</b>	<b>1,078,095</b>

(\*) Regarding the provisioning for some loans in groups 2 to 5 and the credit granted to FLC Group Joint Stock Company and related parties, the Bank has developed a roadmap for handling and provisioning in the Restructuring Plan for the period 2023-2025, and the Orientation towards 2030, which has been approved by the competent authorities.

In addition, the Bank has received additional collateral from third parties to secure the sold debts and complied with the provision for credit risks for the debts sold for which payment has not been collected (as explained in section V.10.2 Receivables from debt sale activities) as prescribed.

	Dec. 31, 2024	Dec. 31, 2023
<b>6. Investment securities</b>		
<b>6.1. Available-for-sale securities</b>		
a. Debt securities	4,550,275	7,736,856
- <i>Government bonds</i>	1,990,275	3,736,856
- <i>Debt securities issued by other local credit institutions</i>	2,560,000	4,000,000
<b>Sub- total</b>	<b>4,550,275</b>	<b>7,736,856</b>
<b>6.2. Held-to-maturity securities</b>		
- Debt securities issued by local economic entities (*)	14,325,518	5,652,828
- Provision for investment securities (i)	(157,489)	(277,923)
<b>Total</b>	<b>14,168,029</b>	<b>5,374,905</b>
<b>Sub- total</b>	<b>18,718,304</b>	<b>13,111,761</b>

(i) In which, the provision for special bonds issued by VAMC would be made based on the minimum annual financial capacity according to the roadmap established in the Restructuring Plan for the period 2023-2025 and the Orientation towards 2030 that has been approved.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 6.2. Held-to-maturity securities (Cont.)

(\*) Investments in debt securities are as follows:

Issuing company	Maturity	Interest rate	Number of debt securities	Amount
Vietnam Debt Trading Company Limited (former name Debt and Assets Trading Company) - DATC (ii)	Year 2023	8.9%/Year	31,554	31,554
Vietnam Asset Management Company (VAMC) (iii)	Year 2025	0%/Year	43 codes	538,296
	Year 2026	0%/Year	9 codes	152,850
	Year 2025	0%/Year	1 code	90,655
	Year 2026	0%/Year	3 codes	3,007
	Year 2027	0%/Year	2 codes	12,768
	Year 2028	0%/Year	14 codes	111,355
	Year 2029	0%/Year	4 codes	46,660
	Year 2025	0%/Year	17 codes	34,753
	Year 2026	0%/Year	2 codes	172,161
	Year 2027	0%/Year	2 codes	853,808
Year 2028	0%/Year	3 codes	979,744	
Year 2029	0%/Year	248 codes	11,297,907	
<b>Total</b>				<b>14,325,518</b>

(ii) The bond investment of Vietnam Debt Trading Company Limited has matured in 2023, and NCB is currently actively carrying out procedures to liquidate this bond. In 2024, the Bank has made provisions according to the minimum annual financial capacity according to the roadmap established in the approved Restructuring Plan for the period 2023-2025 and the Orientation towards 2030.

## 7. Capital contributions, long-term investments

Dec. 31, 2024

Dec. 31, 2023

## - By type of investments

Other long-term investments	719,600	719,600
Provisions for long-term investments	(348,356)	(64,918)
<b>Total</b>	<b>371,244</b>	<b>654,682</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 7. Capital contributions, long-term investments (Cont.)

## - Details of long-term investments:

Name	Dec. 31, 2024			Dec. 31, 2023		
	Original cost	Provision	Shareholding ratio(%)	Original cost	Provision	Shareholding ratio(%)
<b>Other long-term investments</b>	<b>719,600</b>	<b>(348,356)</b>		<b>719,600</b>	<b>(64,918)</b>	
Saigon - Quy Nhon Minerals JSC (i)	273,700	(211,560)	3.18%	273,700	(18,367)	3.18%
Saigon Investment JSC (ii)	338,200	(46,796)	11.00%	338,200	(46,551)	11.00%
Navibank Securities JSC (iii)	17,700	-	7.02%	17,700	-	7.02%
Saigon - Binh Thuan Electricity Plant Investment and Development JSC (iv)	90,000	(90,000)	9.00%	90,000	-	9.00%
<b>Total</b>	<b>719,600</b>	<b>(348,356)</b>		<b>719,600</b>	<b>(64,918)</b>	

(i) The Bank owns 3,500,000 shares (with the book value of VND 273.7 billion) equivalent to 3.18% of charter capital of Saigon - Quy Nhon Minerals JSC (VND 1,100 billion of charter capital, par value of VND 10,000 per share).

(ii) The Bank owns 16,500,000 shares (with the book value of VND 338.2 billion) equivalent to 11% of charter capital of Saigon Investment JSC (VND 1,500 billion of charter capital, par value of VND 10,000 per share). The Bank made a provision for long-term investment impairment based on the unaudited financial statements of Saigon Investment Joint Stock Company.

(iii) The Bank owns 1,770,000 shares (with the book value of VND 17.7 billion) equivalent to 7.02% of charter capital of Navibank Securities JSC (VND 252 billion of charter capital, par value of VND 10,000 per share).

(iv) The Bank owns 9,000,000 shares (with the book value of VND 90 billion) equivalent to 9% of charter capital of Saigon - Binh Thuan Electricity Plant Investment and Development JSC (VND 1,000 billion of charter capital, par value of VND 10,000 per share).

For the investments in items (i), (ii), (iv), the Bank has a plan to divest the investment according to the restructuring plan approved by the SBV. The Bank has made provisions for these investments according to the restructuring plan's roadmap.

At the reporting date, the Bank has not determined the fair value of the investments disclosed above.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 8. Tangible fixed assets

## - Movements in tangible fixed assets of current year

Items	Buildings & structures	Machinery equipment	Transportation Facilities	Office equipment	Others	Total
<b>Original cost</b>						
Opening balance	44,017	159,835	77,375	81,984	437	363,648
- Purchase	-	32,401	690	37,263	-	70,354
- Disposals	(202)	(4,958)	(7,153)	(24,226)	(404)	(36,943)
Closing balance	43,815	187,278	70,912	95,021	33	397,059
<b>Acc. Depreciation</b>						
Opening balance	14,874	77,704	39,569	59,513	280	191,940
- Charges for the year	1,430	15,494	5,724	7,827	-	30,475
- Disposals	(189)	(4,928)	(7,153)	(21,406)	(247)	(33,923)
Closing balance	16,115	88,270	38,140	45,934	33	188,492
<b>Net book value</b>						
Opening balance	29,143	82,131	37,806	22,471	157	171,708
Closing balance	27,700	99,008	32,772	49,087	-	208,567

## - Other information on tangible fixed assets:

	Dec. 31, 2024	Dec. 31, 2023
* Commitments to purchase high-value fixed assets	46,357	5,736
* Costs of fully depreciated tangible fixed assets - still in use	79,973	95,402

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## - Movements in tangible fixed assets of previous year

Items	Buildings & structures	Machinery equipment	Transportation Facilities	Office equipment	Others	Total
<b>Original cost</b>						
Opening balance	43,551	183,117	65,541	88,779	1,067	382,055
- Purchase	508	17,773	17,544	12,868	-	48,693
- Disposals	(42)	(41,055)	(5,710)	(19,663)	(630)	(67,100)
Closing balance	44,017	159,835	77,375	81,984	437	363,648
<b>Acc. Depreciation</b>						
Opening balance	13,473	91,952	40,627	70,383	766	217,201
- Charges for the year	1,424	16,540	4,631	7,296	47	29,938
- Disposals	(23)	(30,788)	(5,689)	(18,166)	(533)	(55,199)
Closing balance	14,874	77,704	39,569	59,513	280	191,940
<b>Net book value</b>						
Opening balance	30,078	91,165	24,914	18,396	301	164,854
Closing balance	29,143	82,131	37,806	22,471	157	171,708

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 9. Intangible fixed assets

## - Movements in intangible fixed assets of current year:

Items	Term land use right	Computer software	Others	Total
<b>Original cost</b>				
Opening balance	536,147	141,253	57,747	735,147
- Purchase	72,863	41,759	-	114,622
- Disposals	-	(306)	(15)	(321)
Closing balance	609,010	182,706	57,732	849,448
<b>Acc. Amortization</b>				
Opening balance	-	63,645	57,464	121,109
- Charge for the year	-	14,818	248	15,066
- Disposals	-	(262)	-	(262)
- Others	-	-	(8)	(8)
Closing balance	-	78,201	57,704	135,905
<b>Net book value</b>				
Opening balance	536,147	77,608	283	614,038
Closing balance	609,010	104,505	28	713,543

Dec. 31, 2024      Dec. 31, 2023

Costs of fully depreciated intangible fixed assets - still in use:      97,820      85,606

## - Movements in intangible fixed assets of previous year:

Items	Term land use right	Computer software	Others	Total
<b>Original cost</b>				
Opening balance	536,147	85,143	57,636	678,926
- Purchase	-	56,659	111	56,770
- Disposals	-	(549)	-	(549)
Closing balance	536,147	141,253	57,747	735,147
<b>Acc. Amortization</b>				
Opening balance	-	52,037	48,628	100,665
- Charge for the year	-	12,157	8,836	20,993
- Disposals	-	(549)	-	(549)
Closing balance	-	63,645	57,464	121,109
<b>Net book value</b>				
Opening balance	536,147	33,106	9,008	578,261
Closing balance	536,147	77,608	283	614,038

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 10. Other assets

	Dec. 31, 2024	Dec. 31, 2023
1. Construction in progress	49,165	7,527
2. Receivables	8,143,727	10,594,462
3. Interests, fees receivable (i)	499,530	3,569,597
4. Other assets	2,617,793	2,482,357
5. Risk provision for other assets	(1,679,440)	(219,270)
<b>Total</b>	<b>9,630,775</b>	<b>16,434,673</b>

(i) Regarding the interest and fees receivable, the Bank has developed a roadmap for the allocation of accrued interest receivables in the Restructuring Plan for the period 2023-2025 and the Orientation towards 2030 approved by the competent authorities. By December 31, 2024, the Bank has carried out the allocation of these receivables in accordance with the approved roadmap.

## 10.1 Construction in progress

	Dec. 31, 2024	Dec. 31, 2023
- Purchase of other fixed assets	49,165	7,527
<b>Total</b>	<b>49,165</b>	<b>7,527</b>

## 10.2 Receivables

	Dec. 31, 2024	Dec. 31, 2023
- Internal receivables	2,610,335	2,727,294
- External receivables	5,533,392	7,867,168
<i>Receivables from loans sold contract (ii)</i>	3,991,775	6,888,776
<i>Receivables from margins</i>	28,069	16,537
<i>Other receivables</i>	1,513,548	961,855
<b>Sub-total</b>	<b>8,143,727</b>	<b>10,594,462</b>

(ii) For receivables from debt sales, the Bank has reviewed, evaluated and periodically reported to the State Bank on the status of debt sales. In the Bank's Restructuring Plan approved by the competent authorities on February 07, 2024, these amounts would be recovered and gradually processed based on the Bank's financial capacity in accordance with the Restructuring Plan.

## 10.3 Other assets

	Dec. 31, 2024	Dec. 31, 2023
- Other assets	31,338	37,011
- Expenses awaiting allocation	743,392	529,420
- Foreclosed assets - pending for settlement (iii)	1,843,063	1,915,926
<b>Sub-total</b>	<b>2,617,793</b>	<b>2,482,357</b>

(iii) The foreclosed assets - pending for settlement are mainly shares of Bamboo Airways. In 2024, the Bank made provisions for impairment of foreclosed assets - pending for settlement according to the restructuring plan roadmap.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

	Dec. 31, 2024	Dec. 31, 2023
<b>10.4 Provision for other on-balance sheet assets</b>		
- Provision for other assets	(1,679,440)	(219,270)
<b>Sub-total</b>	<b>(1,679,440)</b>	<b>(219,270)</b>
<b>11. Deposits and borrowings from other CIs</b>	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
<b>11.1. Deposits from other CIs</b>		
a. Demand deposits	7,536,450	5,023,296
- VND	7,536,383	5,023,229
- Foreign currencies	67	67
b. Term deposits	2,500,000	4,007,005
- VND	2,500,000	4,007,005
- Foreign currencies	-	-
<b>Total</b>	<b>10,036,450</b>	<b>9,030,301</b>
<b>11.2. Borrowings from other CIs</b>		
- VND	-	-
- Foreign currencies	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Sub - Total</b>	<b>10,036,450</b>	<b>9,030,301</b>
<b>12. Deposits from customers</b>		
- Analysis by deposit type	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
Demand deposits	9,083,078	4,586,717
- VND	8,812,927	4,307,669
- Foreign currencies	270,151	279,048
Term deposits	86,781,912	71,984,138
- VND	86,716,234	71,904,816
- Foreign currencies	65,678	79,322
Special purpose capital deposit	288	283
Margin deposits	251,908	279,076
- VND	251,907	277,159
- Foreign currencies	1	1,917
<b>Total</b>	<b>96,117,186</b>	<b>76,850,214</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 12. Deposits from customers (Cont.)

## - Analysis by customers type

	Dec. 31, 2024	Dec. 31, 2023
Deposits from economic entities	9,094,890	6,106,560
<i>State-Owned enterprises</i>	1,948,689	1,639,614
<i>Joint-Stock, Limited, Co-operative</i>	6,680,612	3,577,523
<i>Private enterprises</i>	14,910	1,190
<i>Securities, Insurance, Financial Companies</i>	90,505	108,875
<i>Private enterprises, co-operative</i>	344,160	752,073
<i>Foreign-invested enterprises</i>	16,014	27,285
Deposits from individuals	87,022,296	70,743,654
<b>Total</b>	<b>96,117,186</b>	<b>76,850,214</b>

## 13. Borrowed and entrusted funds

	Dec. 31, 2024	Dec. 31, 2023
VND	11,150	16,658
Gold and foreign currencies	-	-
<b>Total</b>	<b>11,150</b>	<b>16,658</b>

*In accordance with Loan Agreement No. VNXII-5 for Project of Supporting small- and medium - sized enterprises which was signed between the Socialist Republic of Vietnam and Japan Bank for International Cooperation (JICA). The withdrawal will follow the structured agreement between the State Bank of Vietnam and Navibank on July 01, 2015.*

## 14. Valuable papers issued

	Dec. 31, 2024	Dec. 31, 2023
Certificates of deposit	4,304,643	3,166,906
- VND	4,304,643	3,166,906
<b>Total</b>	<b>4,304,643</b>	<b>3,166,906</b>

## 15. Other liabilities

	Dec. 31, 2024	Dec. 31, 2023
Internal payables	307,293	174,706
External payables	356,824	83,006
Accrued interest and fee payables	1,186,011	1,806,629
<b>Total</b>	<b>1,850,128</b>	<b>2,064,341</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 16. Shareholders' equity

## 16.1. Statement of changes in owner's equity

ITEMS	Share capital	Premium shares	Treasury shares	Foreign exchange differences	Other funds	Investment and Development fund	Financial reserve	Supplementary charter capital reserve	Retained profit	Total
Balance as at Jan. 01, 2023	5,601,555	-	(29,644)	-	29,644	1,105	78,998	47,769	34,801	5,764,228
- Losses during the year	-	-	-	-	-	-	-	-	(669,556)	(669,556)
Balance as at Dec. 31, 2023	5,601,555	-	(29,644)	-	29,644	1,105	78,998	47,769	(634,755)	5,094,672
Balance as at Jan. 01, 2024	5,601,555	-	(29,644)	-	29,644	1,105	78,998	47,769	(634,755)	5,094,672
- Capital increase during the year (*)	6,178,293	(216)	-	-	-	-	-	-	-	6,178,077
- Losses during the year	-	-	-	-	-	-	-	-	(5,128,938)	(5,128,938)
- Profits increase	-	-	-	-	-	-	(50,965)	-	-	(50,965)
Balance as at Dec. 31, 2024	11,779,848	(216)	(29,644)	-	29,644	1,105	28,033	47,769	(5,763,693)	6,092,846

(\*) The capital increase from the private share issuance during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 16. Shareholders' equity (Cont.)

## Reverses of credit institutions

According to Decree No. 93/2017/NĐ-CP dated August 07, 2017 of the Government, commercial banks should make appropriation to funds before sharing dividends and after sharing profit to members as stipulated by the contract (if any), compensate loss of previous year which has been expired and deducted to the profit before tax:

- Set up reserve fund for supplementing the chartered capital at 5% of the profit after tax. The maximum balance of this fund has to equal the chartered capital of the credit institutions. This fund will be transferred to the chartered capital upon the approval of the State Bank of Vietnam and State Security Commission of Vietnam.
- Charge 10% for finance reserve fund; the maximum balance of this fund is not allowed to exceed 25% of the chartered capital of credit institutions. This fund is used to compensate for the remaining portion of losses, damages of assets in the business course after the organizations, individuals causing the loss, damage, insurance organizations have made compensation and provision has been used.
- Set up other funds like construction investment fund, bonus and welfare fund, etc. suggested by the Bank and approved by the Shareholders' meeting.

## 16.2. Earnings per share

Unit: VND

	Year 2024	Year 2023
- Profit or loss for calculating earnings per share	(5,128,938)	(669,556)
- Average number of ordinary for calculating earnings per share	611	557
- Earnings per share (VND/one share)	<u>(8,394)</u>	<u>(1,202)</u>

## 16.3. Details of share capital of credit institutions

	Dec. 31, 2024			Dec. 31, 2023		
	Total	Ordinary stocks	Preferred stocks	Total	Ordinary stocks	Preferred stocks
- Shareholding of other members	11,779,848	11,779,848	-	5,601,555	5,601,555	-
- Share premium	(216)	(216)	-	-	-	-
- Treasury share	(29,644)	(29,644)	-	(29,644)	(29,644)	-
<b>Total</b>	<u>11,749,988</u>	<u>11,749,988</u>	<u>-</u>	<u>5,571,911</u>	<u>5,571,911</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*As at 31 December 2024 and for the year then ended*

*Unit: Million VND*

16.4. Dividends

	Year 2024	Year 2023
- Declared dividends after the year end		
+ Declared dividends on ordinary stocks	-	-
+ Declared dividends on preferred stocks	-	-
- Dividends of accumulated preferred stocks unrecognized	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND***VI. Additional Information for Items Presented in the Income Statement****17. Interest and similar income**

	Year 2024	Year 2023
Interest income from deposits	105,447	82,400
Interest income from loans to customers (*)	2,371,635	5,731,074
Interest income from trading and investing in debt securities (*)	292,124	472,330
Income from guarantee activities	130,680	91,256
Other income from credit activities	28,805	56,559
<b>Total</b>	<b>2,928,691</b>	<b>6,433,619</b>

(\*) In 2024, the Bank wrote-off accrued interest on loans and debt securities investment according to the approved Restructuring Plan for the period 2023-2025 and the Orientation towards 2030 with an amount of VND 2,796,462 million.

**18. Interest and similar expenses**

	Year 2024	Year 2023
Interest expenses on deposits	4,433,452	5,773,609
Interest expenses on borrowings	15,616	768
Interest expenses on valuable papers issued	260,009	193,032
Other expenses on credit activities	1,807	8,981
<b>Total</b>	<b>4,710,884</b>	<b>5,976,390</b>

**19. Net fee and commission income**

	Year 2024	Year 2023
<b>Fee and commission income from</b>	<b>165,438</b>	<b>102,350</b>
Settlement services	118,141	62,258
Treasury service	1,209	945
Other services	46,088	39,147
<b>Fee and commission expenses for</b>	<b>90,470</b>	<b>68,832</b>
Settlement services	29,417	18,491
Treasury services	5,309	3,334
Other services	55,744	47,007
<b>Net gain/loss from services</b>	<b>74,968</b>	<b>33,518</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 20. Net gain/loss from trading of foreign currencies

	Year 2024	Year 2023
Gains from trading of foreign currencies	2,498,778	591,696
<i>Gain from foreign currencies spot trading and foreign exchange rate differences</i>	2,112,723	240,752
<i>Gain from currency derivatives financial instruments</i>	386,055	350,944
Losses from trading of foreign currencies	2,373,266	389,242
<i>Losses from foreign currencies spot trading and foreign exchange rate differences</i>	1,898,379	197,995
<i>Losses from currency derivatives financial instruments</i>	474,887	191,247
<b>Net gain/loss from trading of foreign currencies</b>	<b>125,512</b>	<b>202,454</b>

## 21. Net gain/loss from trading of investment securities

	Year 2024	Year 2023
Income from trading of investment securities	137,077	183,422
Expenses for trading of investment securities	5,655	22,938
<b>Net gain/loss from trading of investment securities</b>	<b>131,422</b>	<b>160,484</b>

## 22. Net gain/loss from other operating activities

	Year 2024	Year 2023
Other income	67,669	82,286
Other expenses	89,876	216,819
<b>Net gain/loss from other operating activities</b>	<b>(22,207)</b>	<b>(134,533)</b>

(\*) In 2024, the Bank made expenses to handle other assets according to the approved Restructuring Plan for the period 2023-2025 and the Orientation towards 2030, with an amount of VND 28,054 million.

## 23. Operating expenses

	Year 2024	Year 2023
1. Tax, duties and fees	17,443	6,583
2. Salaries and related expenses	955,516	652,446
In which:		
<i>Salaries and allowances</i>	881,971	583,614
<i>Additional expenses based on salary</i>	34,046	35,352
<i>Other allowances</i>	855	1,206
<i>Chi công tác xã hội</i>	38,644	-
3. Expenses on assets	330,871	236,877
<i>In which: depreciation of fixed assets</i>	45,541	50,931
4. Expenses for public administration activities (*)	256,489	227,699

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

	Year 2024	Year 2023
<b>23. Operating expenses (Cont.)</b>		
In which:		
<i>Business expenses</i>	10,523	7,671
<i>Expenses for union activities of credit institutions</i>	141	304
5. Insurance expenses on deposits of customers	118,060	95,846
6. Provision (excluding credit risk in and off-balance sheet, provision for devaluation of securities) (**)	1,713,669	19,270
<b>Total</b>	<b>3,392,048</b>	<b>1,238,721</b>

(\*) In 2024, the Bank has made operating expenses according to the Restructuring Plan for the period 2023-2025 and the Orientation towards 2030, which has been approved, with an amount of VND 5,827 million.

(\*\*) In 2024, the Bank handled and made provision on other assets according to the Restructuring Plan for the period 2023-2025 and the Orientation towards 2030, which has been approved, with an amount of VND 1,726,888 million.

	Year 2024	Year 2023
<b>24. Corporate income tax</b>		
<b>Current corporate income tax</b>		
1. Current corporate income tax on the taxable income	673	3,037
2. Adjusting corporate income tax of the previous year to that of the current year	175	-
3. Total current corporate income tax liabilities	<b>848</b>	<b>3,037</b>

## VII. Additional information for items presented in the consolidated cash flow statement

	Dec. 31, 2024	31/12/2023
<b>25. Cash and cash equivalents</b>		
Cash and cash equivalents on hand	296,645	248,513
Balances with the State Banks	3,507,305	2,287,057
Cash, gold at other credit institutions and loans to other CIs (with the term of less than 3 months)	15,073,929	8,460,903
<b>Total</b>	<b>18,877,879</b>	<b>10,996,473</b>

## VIII. Other information

	Year 2024	Year 2023
<b>26. Employee's Benefits</b>		
Total employees to December 31	2,085	1,973
<b>I. Average employees</b>	<b>2,029</b>	<b>2,052</b>
<b>II. Income</b>		
1. Total salaries	718,103	583,614
2. Bonus	-	-
3. Other income	36,069	1,206
4. Total income (1+2+3)	754,172	584,820
5. Average salaries (VND/person/month)	29.49	23.70
6. Average income (VND/person/month)	<b>30.97</b>	<b>23.75</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 27. Obligations to the State Budget

Items	Opening balance	Movement		Closing balance
		Payable	Payment	
1. VAT	690	21,184	19,872	2,002
2. Corporate income tax	(720)	848	175	(47)
3. Other tax	4,014	78,240	74,994	7,260
<b>Total</b>	<b>3,984</b>	<b>100,272</b>	<b>95,041</b>	<b>9,215</b>

## 28. Types and value of secured assets of customers

	Value at Dec. 31, 2024	Value at Dec. 31, 2023
<b>Secured assets</b>		
Real estate	50,925,990	66,997,326
Movable estate	8,652,453	5,304,711
Valuable papers	18,336,041	19,642,936
Other secured assets	136,777,346	99,221,151
<b>Total</b>	<b>214,691,830</b>	<b>191,166,124</b>

## 29. Contingent liabilities and other commitments

Items	Dec. 31, 2024	Dec. 31, 2023
Loan guarantees	28,644	28,644
Commitment on foreign exchange transactions	13,317,723	4,438,665
<i>Commit to buy foreign currency</i>	1,397,853	-
<i>Commit to sell foreign currency</i>	889,543	72,765
<i>Swap transactions</i>	11,030,327	4,365,900
Letters of credit	204,014	417,270
<i>Payment in L/C transactions</i>	204,014	417,270
Other guarantees	5,435,180	2,871,193
<i>Payment guarantees</i>	188,532	177,373
<i>Performance guarantees</i>	567,794	417,431
<i>Bidding guarantees</i>	63,418	23,051
<i>Other guarantees</i>	4,615,436	2,253,338
Other commitments	8,838,410	4,442,664
<b>Total</b>	<b>27,823,971</b>	<b>12,198,436</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 30. Transactions with related parties

Material transactions and balances with related parties:

Related parties	Relationship	Transactions	Movement	Balance as at Dec. 31, 2024 receivable / (payable)
Board of Directors, Board of Supervisors, Board of Management	Key management personnel	Salary, bonus and consideration for Board of Management	5,728	-
		Consideration for Board of Directors, Board of Supervisors	15,396	-

## 31. Subsequent events

The Board of Management confirms that there are no subsequent events that may make a material influences on the Bank's consolidated financial position and need to be explained and disclosed in the consolidated financial statements.

## 32. Geographical concentration of assets, liabilities and off-balance sheet items

	Total balance of loan	Total deposit	Credit Commitment	Derivatives	Trading and investing securities
Domestic	71,174,720	106,153,636	5,667,838	10,950,329	18,875,793
Overseas	-	-	-	-	-

## 33. Geographical concentration

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

	Mobilization and credit activities	Currency trading and securities investing activities	Others	Total
Income	2,636,567	2,927,979	233,107	5,797,653
Expenses	4,974,428	2,378,921	180,346	7,533,695
Net income	(2,337,861)	549,058	52,761	(1,736,042)
Segment assets	85,052,333	19,089,548	-	104,141,881
Unallocated assets				14,356,835
<b>Total assets</b>				<b>118,498,716</b>
Segment liabilities	110,469,429	86,313	-	110,555,742
Unallocated liabilities				1,850,128
<b>Total liabilities</b>				<b>112,405,870</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***As at 31 December 2024 and for the year then ended**Unit: Million VND***34. Risk management policies for financial instruments**

Financial risks include credit risk, market risk and operating risk.

**34.1 Credit risks**

Credit risks are incurred in case the Bank's customers and partners do not fulfill their obligations causing the financial loss. The credit risks are resulted from loans and guarantee under all form.

The Bank bears credit risks in investments in debt securities and other risks in its transactions ("transaction risk") including assets in the list of transactions outside the shareholders' equity, derivative instruments and payments outstanding with partners.

The credit risks are the most significant risks in the Bank's business, so the Board of Management manages them carefully. A division for managing credit risks, which is responsible for frequently reporting to the Board of Management and the head of each unit are in charge of the management and control of credit risks.

**34.1.1 Measurement of credit risk for determining loss and making provision****(a) Loans and guarantee**

The measurement of credit risks are done before and during the lending term.

The Bank has built the model for supporting the measurement of credit risk. The scaling model is used in all material items and set a foundation for measuring the risks of violation on payment provision before and during the lending term.

Based on the above measurement, the Bank classifies loans and makes provisions in accordance with Circular No. 31 and Decree 86 of the State Bank of Vietnam to measure and classify loans and guarantees as presented in Note IV.11.

**(b) Debts securities**

Investments of the Bank in debts securities are debts instruments issued by the Government and prestigious credit, economic institutions. Credit risks are estimated by each specific debt in case the Bank assumes that there is change in credit risk of its partners. These investments are considered as a way to ensure a better credit plan and maintain available credit sources for meeting requirements of capital supply.

**34.1.2 Policies to control and minimize credit risks**

The Bank controls credit risks by applying the credit limit to risks (on and off-balance sheet) relating to each customer or group of customers as stipulated by the State Bank of Vietnam. Besides, credit risks are controlled by periodically reviewing groups of mortgaged assets and analyzing the capacity to pay interest and principal portion of the loans of existing and potential customers.

The Bank issues some policies and practices to minimize credit risks. A traditional and popular method is to hold secured assets for capital advances. Types of assets pledged as security for loan and advances include:

- Properties: house;
- Right towards operating assets: head office, machinery and equipment, inventory, receivables;
- Right towards financial instruments: equity securities and debt securities.

For secured loans, the collateral is independently valued by the Bank, applying specific discount rates to determine the maximum loanable value. The discount rate for each type of collateral is guided in Decree 86 issued by the Government and is adjusted by the Bank for each specific case. When the fair value of the collateral decreases, the Bank will require the borrower to mortgage additional assets to maintain a safe level of risk for the loan.

The credit risks of commitments including letter of credit, financial guarantee contract are the same with credit risks of loan. L/C together with vouchers and commercial L/C is the Bank's written commitment to pay to third party with the amount stipulated by specific terms and conditions on behalf of its customers, so risk is less than direct loans. The issuance of credit letter and financial guarantee contract follows the process of assessing and approving the credit for loans and advances to customers except when the customers deposit 100% for relevant commitments.

**34.2 Market risk**

Market risks are incurred when the fair value of future cash flows of certain financial instrument fluctuate following the change of the market value. The market risks are resulted from the open status of interest rate, monetary products and equity instruments. All of these products are under the impact of the fluctuation of the market in general and each type of market as well as the change in fluctuation level of the market: interest rate risk, currency risk and other risks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 34.2.1 Interest rate risks

Interest rate risk is the risk in which the future cash flows of financial instruments are affected by changes in the market interest rate. The Bank manages the interest rate risks by controlling the differences of interest rate on a monthly basis.

Summary of interest rate risks of the Bank as at December 31, 2024 is as follows:

Items	Overdue	Free of interest	Up to 1 month	From 1-3 months	From 3-6 months	From 6-12 months	From 1-5 years	Over 5 years	Total
Cash, gold, silver and gemstones	-	296,645	-	-	-	-	-	-	296,645
Balances with the State Bank of Vietnam	-	-	3,507,305	-	-	-	-	-	3,507,305
Balances with and loans to other CIs (*)	-	-	15,073,929	-	-	-	-	-	15,073,929
Loans to customers (*)	10,608,555	-	12,641,886	36,132,504	2,506,986	1,295,618	7,554,251	434,920	71,174,720
Investment securities (*)	31,554	-	-	-	90,655	3,133,049	13,637,271	1,983,264	18,875,793
Capital contributions and long-term investments (*)	-	-	-	-	-	-	-	719,600	719,600
Fixed assets	-	922,110	-	-	-	-	-	-	922,110
Other assets (*)	-	6,818,911	159,480	67,830	8,901	2,045,285	2,063,351	146,457	11,310,215
<b>Total</b>	<b>10,640,109</b>	<b>8,037,666</b>	<b>31,382,600</b>	<b>36,200,334</b>	<b>2,606,542</b>	<b>6,473,952</b>	<b>23,254,873</b>	<b>3,284,241</b>	<b>121,880,317</b>
<b>Liabilities</b>									
Amounts due to the Government and the SBV and deposits and borrowings from other CIs	-	-	10,036,450	-	-	-	-	-	10,036,450
Deposits from customers	-	-	18,436,403	12,565,520	16,139,921	9,728,223	39,246,798	321	96,117,186
Derivative and other financial liabilities	-	-	26,844	78,732	(15,971)	(3,292)	-	-	86,313
Borrowed and entrusted funds	-	-	-	-	-	-	-	11,150	11,150
Valuable papers issued	-	-	-	-	-	267,420	2,486,867	1,550,356	4,304,643
Other liabilities	-	664,117	668,457	193,050	94,055	50,657	167,725	12,067	1,850,128
<b>Total liabilities</b>	<b>-</b>	<b>664,117</b>	<b>29,168,154</b>	<b>12,837,302</b>	<b>16,218,005</b>	<b>10,043,008</b>	<b>41,901,390</b>	<b>1,573,894</b>	<b>112,405,870</b>
<b>Interest sensitivity gap – on balance sheet</b>	<b>10,640,109</b>	<b>7,373,549</b>	<b>2,214,446</b>	<b>23,363,032</b>	<b>(13,611,463)</b>	<b>(3,569,056)</b>	<b>(18,646,517)</b>	<b>1,710,347</b>	<b>9,474,447</b>
Off balance sheet commitments affecting the sensitivity level with the interest rate of assets and liabilities (net)	-	14,755,617	-	-	-	-	-	-	14,755,617
<b>Interest sensitivity gap – on balance sheet and off the balance sheet</b>	<b>10,640,109</b>	<b>22,129,166</b>	<b>2,214,446</b>	<b>23,363,032</b>	<b>(13,611,463)</b>	<b>(3,569,056)</b>	<b>(18,646,517)</b>	<b>1,710,347</b>	<b>24,230,064</b>

(\*) These items do not include the balance of provision for risks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Unit: Million VND

Summary of interest rate risks of the Bank as at December 31, 2023 is as follows:

Items	Overdue	Free of interest	Up to 1 month	From 1-3 months	From 3-6 months	From 6-12 months	From 1-5 years	Over 5 years	Total
Cash, gold, silver and gemstones	-	248,513	-	-	-	-	-	-	248,513
Balances with the State Bank of Vietnam	-	-	2,287,057	-	-	-	-	-	2,287,057
Balances with and loans to other CIs (*)	-	-	8,460,903	-	-	-	-	-	8,460,903
Loans to customers (*)	14,748,039	-	9,305,505	21,823,781	1,140,822	2,931,410	5,366,135	28,567	55,344,259
Investment securities (*)	288,260	-	1,700,000	300,000	-	2,009,146	4,953,987	4,138,291	13,389,684
Capital contributions and long-term investments (*)	-	-	-	-	-	-	-	719,600	719,600
Fixed assets and investment properties	-	785,746	-	-	-	-	-	-	785,746
Other assets (*)	-	9,571,405	313,945	78,347	5,442	47,956	3,509,435	3,127,413	16,653,943
<b>Total</b>	<b>15,036,299</b>	<b>10,605,664</b>	<b>22,067,410</b>	<b>22,202,128</b>	<b>1,146,264</b>	<b>4,988,512</b>	<b>13,829,557</b>	<b>8,013,871</b>	<b>97,889,705</b>
<b>Liabilities</b>									
Amounts due to the Government and the SBV and deposits and borrowings from other CIs	-	-	9,030,301	-	-	-	-	-	9,030,301
Deposits from customers	-	-	15,023,502	13,917,829	22,859,439	9,876,595	15,172,834	15	76,850,214
Derivative and other financial liabilities	-	-	992	17,055	8,360	-	-	-	26,407
Borrowed and entrusted funds	-	-	-	-	-	-	-	16,658	16,658
Valuable papers issued	-	-	-	-	-	-	1,991,125	1,175,781	3,166,906
Other liabilities	-	257,712	455,321	414,482	255,149	157,658	519,188	4,831	2,064,341
<b>Total liabilities</b>	<b>-</b>	<b>257,712</b>	<b>24,510,116</b>	<b>14,349,366</b>	<b>23,122,948</b>	<b>10,034,253</b>	<b>17,683,147</b>	<b>1,197,285</b>	<b>91,154,827</b>
<b>Interest sensitivity gap – on balance sheet</b>	<b>15,036,299</b>	<b>10,347,952</b>	<b>(2,442,706)</b>	<b>7,852,762</b>	<b>(21,976,684)</b>	<b>(5,045,741)</b>	<b>(3,853,590)</b>	<b>6,816,586</b>	<b>6,734,878</b>
Off balance sheet commitments affecting the sensitivity level with the interest rate of assets and liabilities (net)	-	8,037,427	-	-	-	-	-	-	8,037,427
<b>Interest sensitivity gap – on balance sheet and off the balance sheet</b>	<b>15,036,299</b>	<b>18,385,379</b>	<b>(2,442,706)</b>	<b>7,852,762</b>	<b>(21,976,684)</b>	<b>(5,045,741)</b>	<b>(3,853,590)</b>	<b>6,816,586</b>	<b>14,772,305</b>

(\*) These items do not include the balance of provision for risks.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 34.2. Market risks

## 34.2.2 Currency risks

Currency risk is the risk in which the value of financial instrument changes due to the changes in exchange rate. The Bank is established and operates in Vietnam and its reporting currency is VND. The currency the Bank uses for its transactions is also VND. Most of loans and advances to customers of the Bank are in VND and USD. However, some other assets are in currencies other than VND and USD, so the Bank has built the limit for each type of currencies. The monetary status is supervised on daily basis and strategy to prevent risks is applied by the Bank to ensure that the monetary status will be kept in already-built limit.

## Presentation of assets and liabilities of the Bank by currencies converted into VND as at December 31, 2024:

Items	Converted USD	Converted EUR	Other converted foreign currencies	Total
<b>Assets</b>				
Cash, gold, silver and gemstones	55,460	115	151	55,726
Balances with the State Bank of Vietnam	18,175	-	-	18,175
Balances with and loans to other CIs (*)	505,289	6,872	20,443	532,604
Derivative and other financial assets (*)	673,807	-	-	673,807
Others assets(*)	1,461	-	-	1,461
<b>Total</b>	<b>1,254,192</b>	<b>6,987</b>	<b>20,594</b>	<b>1,281,773</b>
<b>Liabilities and shareholders' equity</b>				
Amounts due to the Government and the SBV and deposits and borrowings from other CIs	-	67	-	67
Deposits from customers	328,536	1,048	6,330	335,914
Derivative financial instruments and other financial liabilities	2,247,681	-	(772)	2,246,909
Other liabilities	540	389	-	929
<b>Total liabilities and shareholders' equity</b>	<b>2,576,757</b>	<b>1,504</b>	<b>5,558</b>	<b>2,583,819</b>
<b>Position of currencies on balance sheet</b>	<b>(1,322,565)</b>	<b>5,483</b>	<b>15,036</b>	<b>(1,302,046)</b>
<b>Position of currencies off balance sheet</b>	<b>508,310</b>	<b>-</b>	<b>-</b>	<b>508,310</b>
<b>Position of currencies on and off the balance sheet</b>	<b>(814,255)</b>	<b>5,483</b>	<b>15,036</b>	<b>(793,736)</b>

(\*) These item does not include risk reserve balance.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

Presentation of assets and liabilities of the Bank by currencies converted into VND as at December 31, 2023:

Items	Converted USD	Converted EUR	Other converted foreign currencies	Total
<b>Assets</b>				
Cash, gold, silver and gemstones	23,875	124	110	24,109
Balances with the State Bank of Vietnam	35,568	-	-	35,568
Balances with and loans to other CIs (*)	367,905	2,674	11,822	382,401
Derivative and other financial assets (*)	-	265	-	265
Customer Loans (*)	210,582	-	-	210,582
Others assets(*)	877	-	-	877
<b>Total</b>	<b>638,807</b>	<b>3,063</b>	<b>11,932</b>	<b>653,802</b>
<b>Liabilities and shareholders' equity</b>				
Amounts due to the Government and the SBV and deposits and borrowings from other CIs	-	67	-	67
Deposits from customers	357,182	3,103	82	360,367
Derivative financial instruments and other financial liabilities	886,253	-	-	886,253
Other liabilities	28,852	-	-	28,852
<b>Total liabilities and shareholders' equity</b>	<b>1,272,288</b>	<b>3,170</b>	<b>82</b>	<b>1,275,540</b>
<b>Position of currencies on balance sheet</b>	<b>(633,481)</b>	<b>(107)</b>	<b>11,850</b>	<b>(621,738)</b>
<b>Position of currencies off balance sheet</b>	<b>(72,765)</b>	<b>-</b>	<b>-</b>	<b>(72,765)</b>
<b>Position of currencies on and off the balance sheet</b>	<b>(706,246)</b>	<b>(107)</b>	<b>11,850</b>	<b>(694,503)</b>

(\*) These item does not include risk reserve balance.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

## 34.2. Market risks

## 34.2.3 Liquidity risks

Liquidity risks incurred when the Bank is unable to fulfill its obligations relating to financial liabilities and has no supersede resources in case of customers' withdrawal. This possibly results in the failure to pay the customers and perform commitments. The Bank monitors risks by:

- Controlling the capital mobilization and loan on daily basis;
- Maintaining investment portfolio securities that are easily convertible to cash;
- Controlling liquidity indices in the financial status report in compliance with the regulations of the State Bank of Vietnam.

Summary of assets and liabilities of the Bank by term from the period end December 31, 2024 to the matured date:

Items	Overdue		Undue					Total
	Over 3 months	For 3 months	For 1 month	From 1-3 months	From 3-12 months	Over 1 years	Over 5 years	
Cash, gold, silver and gemstones	-	-	296,645	-	-	-	-	296,645
Balances with the State Bank of Vietnam	-	-	3,507,305	-	-	-	-	3,507,305
Balances with and loans to other CIs (*)	-	-	15,073,929	-	-	-	-	15,073,929
Loans to customers (*)	399,355	10,209,200	1,728,549	6,434,186	14,940,488	24,309,029	13,153,913	71,174,720
Investment securities (*)	-	31,554	-	-	3,223,704	12,290,610	3,329,925	18,875,793
Capital contributions and long-term investments (*)	-	-	-	-	-	-	719,600	719,600
Fixed assets	-	-	-	-	-	-	922,110	922,110
Others assets (*)	-	-	168,313	73,990	2,068,333	2,063,225	6,936,354	11,310,215
<b>Total</b>	<b>399,355</b>	<b>10,240,754</b>	<b>20,774,741</b>	<b>6,508,176</b>	<b>20,232,525</b>	<b>38,662,864</b>	<b>25,061,902</b>	<b>121,880,317</b>
<b>Liabilities</b>								
Deposits and borrowings from other CIs	-	-	10,036,450	-	-	-	-	10,036,450
Deposits from customers	-	-	18,508,944	12,492,980	25,212,153	39,902,556	553	96,117,186
Derivative and other financial liabilities	-	-	21,763	29,177	35,373	-	-	86,313
Borrowed and entrusted funds	-	-	-	-	-	-	11,150	11,150
Valuable papers issued	-	-	-	-	203,700	2,550,587	1,550,356	4,304,643
Other liabilities	-	-	1,000,914	377,242	444,243	24,029	3,700	1,850,128
<b>Total</b>	<b>-</b>	<b>-</b>	<b>29,568,071</b>	<b>12,899,399</b>	<b>25,895,469</b>	<b>42,477,172</b>	<b>1,565,759</b>	<b>112,405,870</b>
<b>Net liquidity differential</b>	<b>399,355</b>	<b>10,240,754</b>	<b>(8,793,330)</b>	<b>(6,391,223)</b>	<b>(5,662,944)</b>	<b>(3,814,308)</b>	<b>23,496,143</b>	<b>9,474,447</b>

(\*) These item does not include risk reserve balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024 and for the year then ended

Unit: Million VND

Summary of assets and liabilities of the Bank by term from the period end December 31, 2023 to the matured date:

Items	Overdue		Undue					Total
	Over 3 months	For 3 months	For 1 month	From 1-3 months	From 3-12 months	Over 1 years	Over 5 years	
Cash, gold, silver and gemstones	-	-	248,513	-	-	-	-	248,513
Balances with the State Bank of Vietnam	-	-	2,287,057	-	-	-	-	2,287,057
Balances with and loans to other CIs (*)	-	-	8,460,903	-	-	-	-	8,460,903
Loans to customers (*)	11,037,201	3,710,838	2,443,448	3,167,185	14,691,229	11,563,148	8,731,210	55,344,259
Investment securities (*)	-	288,261	1,700,000	300,000	2,009,146	4,890,716	4,201,561	13,389,684
Capital contributions and long-term investments	-	-	-	-	-	-	719,600	719,600
Fixed assets	-	-	-	-	-	-	785,746	785,746
Others assets (*)	-	-	338,391	72,683	73,691	33,632	16,135,546	16,653,943
<b>Total</b>	<b>11,037,201</b>	<b>3,999,099</b>	<b>15,478,312</b>	<b>3,539,868</b>	<b>16,774,066</b>	<b>16,487,496</b>	<b>30,573,663</b>	<b>97,889,705</b>
<b>Liabilities</b>								
Deposits and borrowings from other CIs	-	-	9,030,301	-	-	-	-	9,030,301
Deposits from customers	-	-	15,305,785	13,635,546	32,521,636	15,387,100	147	76,850,214
Derivative and other financial liabilities	-	-	992	17,055	8,360	-	-	26,407
Borrowed and entrusted funds	-	-	-	-	-	-	16,658	16,658
Valuable papers issued	-	-	-	-	-	1,991,125	1,175,781	3,166,906
Other liabilities	-	-	892,642	574,411	572,133	12,577	12,578	2,064,341
<b>Total</b>	<b>-</b>	<b>-</b>	<b>25,229,720</b>	<b>14,227,012</b>	<b>33,102,129</b>	<b>17,390,802</b>	<b>1,205,164</b>	<b>91,154,827</b>
<b>Net liquidity differential</b>	<b>11,037,201</b>	<b>3,999,099</b>	<b>(9,751,408)</b>	<b>(10,687,144)</b>	<b>(16,328,063)</b>	<b>(903,306)</b>	<b>29,368,499</b>	<b>6,734,878</b>

(\*) These item does not include risk reserve balance.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Unit: Million VND

## 34. Management of financial risks (Cont.)

## 34.3 The fair value of financial assets and liabilities

Financial assets and liabilities are stated at original cost less provision of devaluation of assets. Therefore, the book value of financial assets and liabilities of the Bank may be different from their fair value.

At present, the Bank has not determined the fair value of all financial assets and liabilities. The Bank will present the fair value of those assets and liabilities when the authority has given detailed guidance thereon.

## 35. Other Information and Going Concern

Implementing the "Project to restructure the system of credit institutions associated with handling bad debts for the period 2021-2025" approved by the Prime Minister in Decision No. 689/QĐ-TTg dated June 8, 2022 ("Project 689"), the Bank has signed a consulting service contract with Ernst & Young Vietnam Company Limited (E&Y). Accordingly, E&Y has reviewed the Bank's entire asset portfolio, identified the list of bad debts and outstanding assets from a prudent perspective, determined solutions and a roadmap to handle bad debts and other identified outstanding assets including: debt classification, risk provision; specific roadmap for handling and collecting outstanding debts and assets; handling accrued interest that must be withdrawn, etc. as a basis for the Bank to develop a Restructuring Plan associated with handling bad debts in the period 2023-2025 and the Orientation towards 2030.

Based on the orientation and solutions stated in Project 689, the guidance documents of the SBV and the results of review and assessment of E&Y, the Bank has developed the Restructuring Plan for the period 2023-2025 and the Orientation towards 2030, which specifically presents: (i) Achievements, shortcomings, limitations, difficulties, causes and lessons learned in implementing the Restructuring Plan 2019-2020; (ii) Evaluation of the current state of the Bank's operations as at December 31, 2022; (iii) The Bank's Restructuring Plan for the period 2023-2025 and the Orientation towards 2030 includes viewpoints, restructuring goals as well as restructuring solutions and implementation route, including Proposal to allow the Bank to: gradually allocate provision, withdraw accrued interest on the basis of revenue- expenditure balance, have a debt collection plan for loans classified from group 2 to Group 5, have a plan to recover long-term investments according to each year's route, have a plan to handle debt assets, and increase charter capital to improve financial capacity.

The bank has submitted to the SBV Restructuring Plan for the period 2023-2025 and the Orientation towards 2030, and received feedback from the SBV on February 7, 2024. Accordingly, the Bank reviewed the contents commented by the SBV to complete, supplement, and approved the Restructuring Plan according to Resolutions No. 1429/2024/NQ-HĐQT and 1430/2024/NQ-HĐQT dated June 28, 2024, within its authority and reported to the SBV.

The approved Restructuring Plan components implemented in 2024 are as follows:

Item	Amount (Million VND)
<i>Reversal of accrued interest on loans and debt securities investments.</i>	2,796,462
<i>Expenses for handling other assets</i>	28,054
<i>Operating expenses</i>	5,827
<i>Credit risk provision expenses</i>	28,606
<i>Other risk provision expenses.</i>	1,726,888
<b><i>Total implementation expenses according to the Restructuring Plan (a)</i></b>	<b>4,585,837</b>
<i>Profit after corporate income tax after implementing the Restructuring Plan (b)</i>	(5,128,938)
<i>Profit after corporate income tax before implementing the Restructuring Plan (c=a+b)</i>	(543,101)

With the Restructuring Plan as presented, the Bank remains confident in its ability to continue as a going concern.

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*As at 31 December 2024 and for the year then ended*

*Unit: Million VND*

**35. Other Information and Going Concern (Cont.)**

Other than the information presented under the Restructuring Plan above, the Bank does not have any contingent liabilities, commitments, or any other relevant information as at the end of this financial period that requires adjustment or disclosure in the consolidated financial statements.

*Ha Noi, February 28, 2025*

**Prepared by**

**Ms. Do Quynh Trang**

**Chief Accountant**

**Ms. Bui Thi Khanh Van**

**Chief Executive Officer**



**Mr. Ta Kieu Hung**

