

National Citizen Commercial Joint Stock Bank

Consolidated financial statements

For the period from 01 January 2025 to 31 March 2025



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2025

	<i>Notes</i>	<i>31 March 2025 VND million</i>	<i>31 December 2024 VND million</i>
ASSETS			
Cash and gold	5	382,383	296,645
Balances with the State Bank of Vietnam ("SBV")	6	3,013,644	3,507,305
Balances with and loans to other credit institutions ("CIs")	7	17,916,561	15,073,929
Balances with other CIs		17,916,561	15,073,929
Derivatives and other financial assets	18	832	-
Loans to customers		76,816,268	69,978,404
Loans to customers	8	78,041,365	71,174,720
Provisions for loans to customers	9	(1,225,097)	(1,196,316)
Investment securities	10	21,464,073	18,718,304
Available-for-sale securities		5,101,284	4,550,275
Held-to-maturity securities		16,515,778	14,325,518
Provisions for investment securities		(152,989)	(157,489)
Capital contributions, long-term investments	11	371,244	371,244
Other long-term investments		719,600	719,600
Provisions for loss on capital contributions and long-term investments		(348,356)	(348,356)
Fixed assets		857,030	922,110
Tangible fixed assets	12	200,205	208,567
Cost		391,940	397,059
Accumulated depreciation		(191,735)	(188,492)
Intangible fixed assets	13	656,825	713,543
Cost		796,397	849,448
Accumulated amortization		(139,572)	(135,905)
Other assets	14	10,060,879	9,630,775
Receivables		8,344,488	8,192,892
Accrued interest and fee receivables		626,646	499,530
Other assets		2,769,185	2,617,793
Provisions for other assets		(1,679,440)	(1,679,440)
TOTAL ASSETS		130,882,914	118,498,716

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 March 2025

	<i>Notes</i>	<i>31 March 2025 VND million</i>	<i>31 December 2024 VND million</i>
LIABILITIES AND OWNERS' EQUITY			
Amount due to Government and the SBV	15	855,959	-
Deposits and borrowings from other CIs	16	14,940,935	10,036,450
Deposits from other CIs		14,740,935	10,036,450
Borrowings from other CIs		200,000	-
Deposits from customers	17	102,527,917	96,117,186
Derivatives and other financial liabilities	18	-	86,313
Borrowed and entrusted funds	19	10,028	11,150
Valuable papers issued	20	4,760,393	4,304,643
Other liabilities	21	1,544,069	1,850,128
Interest and fee payables		1,094,775	1,186,011
Other payables and liabilities		449,294	664,117
TOTAL LIABILITIES		124,639,301	112,405,870
OWNERS' EQUITY			
Capital		11,749,988	11,749,988
Charter capital		11,779,848	11,779,848
Share premium		(216)	(216)
Treasury shares		(29,644)	(29,644)
Reserves		106,551	106,551
Retained earnings		(5,612,926)	(5,763,693)
Current year retained earnings		150,767	(5,128,938)
Previous year retained earnings		(5,763,693)	(634,755)
TOTAL OWNERS' EQUITY	23	6,243,613	6,092,846
TOTAL LIABILITIES AND OWNERS' EQUITY		130,882,914	118,498,716

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 March 2025

OFF BALANCE SHEET ITEMS

	Notes	31 March 2025 VND million	31 December 2024 VND million
Loan guarantees		28,644	28,644
Foreign exchange commitments		11,466,177	13,317,723
Foreign currency purchase commitments		1,048,339	1,397,853
Foreign currency sale commitments		1,609,988	889,543
Swap commitments		8,807,850	11,030,327
Letters of credit		220,217	204,014
Other guarantees		6,424,067	5,435,180
Other commitments		35,617,510	8,838,410
Uncollected loan interest and fee receivables		19,949,715	20,410,771
Written-off bad debts		1,624,688	1,601,096
Other assets and documents in custody		69,040,893	55,128,422

Hanoi, 25 April 2025

Prepared by:



Ms. Do Quynh Trang
Head of General accounting
department

Reviewed by:



Ms. Bui Thi Khanh Van
Chief Accountant

Approved by:



Mr. Ta Kieu Hung
Chief Executive Officer

CONSOLIDATED INCOME STATEMENT
for the period from 01 January 2025 to 31 March 2025

	Notes	Quarter I		For the period from 01 January to 31 March	
		2025 VND million	2024 VND million	2025 VND million	2024 VND million
Interest and similar income	24	1,841,152	1,423,410	1,841,152	1,423,410
Interest and similar expenses	25	(1,336,291)	(1,201,802)	(1,336,291)	(1,201,802)
Net interest income		504,861	221,608	504,861	221,608
Fee and commission income		58,098	26,743	58,098	26,743
Fee and commission expenses		(28,838)	(20,604)	(28,838)	(20,604)
Net fee and commission income	26	29,260	6,139	29,260	6,139
Net gain/ (loss) from trading of foreign currencies	27	33,477	24,154	33,477	24,154
Net gain/ (loss) from trading of investment securities	28	17,852	68,548	17,852	68,548
Other income		89,985	5,229	89,985	5,229
Other expenses		(77,232)	(12,866)	(77,232)	(12,866)
Net income from other activities	29	12,753	(7,637)	12,753	(7,637)
Operating expenses	30	(381,914)	(344,797)	(381,914)	(344,797)
Net operating profit before allowance and provision expenses		216,289	(31,985)	216,289	(31,985)
Provision expenses for credit losses	31	(64,896)	(9,914)	(64,896)	(9,914)
Profit before tax		151,393	(41,899)	151,393	(41,899)
Current income tax expense		(626)	-	(626)	-
Income tax expense		(626)	-	(626)	-
Profit after tax		150,767	(41,899)	150,767	(41,899)

Hanoi, 25 April 2025

Prepared by:



Ms. Do Quynh Trang
Head of General accounting
department

Reviewed by:



Ms. Bui Thi Khanh Van
Chief Accountant

Approved by:



Mr. Ta Kieu Hung
Chief Executive Officer

CONSOLIDATED CASH FLOW STATEMENT
for the period from 01 January 2025 to 31 March 2025

	Notes	From 01/01/2025 to 31/3/2025 VND million	From 01/01/2024 to 31/3/2024 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar income received		1,708,230	1,229,325
Interest and similar expensed paid		(1,427,491)	(1,605,181)
Net fee and commission income received		28,984	6,126
Net payments for/receipts from trading activities of foreign currencies and securities		46,829	(10,797)
Other income received		20,397	23,618
Receipts from recovery of bad debts previously written off		35	-
Payments for operating and salary expenses		(273,519)	(252,250)
Income tax paid during the period	22	-	(7)
Net cash flows from operating activities before changes in operating assets and liabilities		103,465	(609,166)
Changes in operating assets			
(Increase)/ decrease in balances with and loan to other CIs		-	-
(Increase)/ decrease in investment securities		(2,741,269)	2,910,992
(Increase)/ decrease in derivatives and other financial assets		(832)	-
(Increase)/ decrease in loans to customers		(6,866,645)	(3,031,829)
(Increase)/ decrease in provision for credit losses		(40,615)	(103,499)
Other (increase)/ decrease in operating assets		(321,252)	790,267
Changes in operating liabilities			
Increase/ (decrease) in borrowings from the Government and the SBV		855,959	-
Increase/ (decrease) in deposits and borrowings from other CIs		4,904,485	(2,505,164)
Increase/ (decrease) in deposits from customers		6,410,731	3,310,232
Increase/ (decrease) in valuable papers issued (except for valuable papers issued for financing activities)		7,100	(323,085)
Increase/ (decrease) in borrowed and entrusted funds		(1,122)	(1,450)
Increase/ (decrease) in derivatives and other financial liabilities		(86,313)	117,028
Other increase/ (decrease) in operating liabilities		(214,091)	(103,478)
Use of reserves		-	-
Net cash flows from operating activities		2,009,601	450,848

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
for the period from 01 January 2025 to 31 March 2025

	Notes	From 01/01/2025 to 31/3/2025 VND million	From 01/01/2024 to 31/3/2024 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchases of fixed assets		(21,909)	(9,518)
Proceeds from disposals of fixed assets		71,249	208
Payments for disposals of fixed assets		(72,882)	(856)
Dividends and profits received from long-term investments and capital contributions		-	-
Net cash flows from investing activities		(23,542)	(10,166)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in share capital due to capital contribution and/ or share issuance		-	-
Proceeds from the issuance of long-term valuable papers eligible for inclusion in own capital and other long-term borrowings		448,650	-
Net cash flows from financing activities		448,650	-
Net cash flows during the period		2,434,709	440,682
Cash and cash equivalents at the beginning of the period	32	18,877,879	10,996,473
Cash and cash equivalents at the end of the period	32	21,312,588	11,437,155

Hanoi, 25 April 2025

Prepared by:



Ms. Do Quynh Trang
Head of General accounting
department

Reviewed by:



Ms. Bui Thi Khanh Van
Chief Accountant

Approved by:



Mr. Ta Kieu Hung
Chief Executive Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

1. GENERAL INFORMATION

National Citizen Commercial Joint Stock Bank ("the Bank") is a commercial joint stock bank established and registered in the Socialist Republic of Viet Nam.

1.1. Establishment and Operations

The National Citizen Commercial Joint Stock Bank was renamed from Nam Viet Commercial Joint Stock Bank on 06 May 2014. Previously, the Bank was known as Song Kien Commercial Joint Stock Bank, a joint stock bank established under License No. 00057/NH-GP dated 18 September 1995 issued by the State Bank of Vietnam, replaced by License No. 12/GP-NHNN issued by the State Bank of Vietnam on 10 March 2023, and Establishment License No. 1217/GP-UB issued by the People's Committee of Kien Giang Province on 17 October 1995. The establishment and operation License No. 12/GP-NHNN dated 10 March 2023 was amended in Article 2 regarding charter capital according to Decision No. 2722/QD-NHNN dated 20 December 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 02 November 1995 by the Kien Giang Provincial Planning Committee), with the 22nd amendment to the Business Registration Certificate dated 02 August 2023.

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

1.2. Structure of Ownership: Share capital**1.3. The Board of Directors**

Members of the Board of Directors for the period from 01 January 2025 to 31 March 2025 and up to the date of these consolidated financial statements are as follows:

<i>Name</i>	<i>Position</i>
Ms. Bui Thi Thanh Huong	Chairwoman
Ms. Hoang Thu Trang	Vice Chairwoman
Mr. Duong The Bang	Member
Ms. Nguyen Thi Hai Hoa	Member
Ms. Trinh Thanh Mai	Independent Member

1.4. The Board of Supervisory

Members of the Board of Supervisory for the period from 01 January 2025 to 31 March 2025 and up to the date of these consolidated financial statements are as follows:

<i>Name</i>	<i>Position</i>
Ms. Do Thi Duc Minh	Head of the Board of Supervision
Mr. Nguyen Van Quang	Member
Ms. Vu Kim Phuong	Member

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

1. GENERAL INFORMATION (continued)

1.5. The Board of Management

Members of the Board of Management for the period from 01 January 2025 to 31 March 2025 and up to the date of these consolidated financial statements are as follows:

<i>Name</i>	<i>Position</i>
Mr. Ta Kieu Hung	Chief Executive Officer ("CEO")
Ms. Pham Thi Hien	Deputy CEO
Ms. Vo Thi Thuy Duong	Deputy CEO
Mr. Nguyen Viet Hoi	Deputy CEO in charge of Southern region

1.6. Legal representative

The legal representative of the Bank is Ms. Bui Thi Thanh Huong - Chairwoman.

According to Authorization No. 55/2023/QĐUQ-CTHĐQT dated 21 April 2023, Ms. Bui Thi Thanh Huong authorized Mr. Ta Kieu Hung - CEO to sign the consolidated financial statements for the period from 01 January 2025 to 31 March 2025.

1.7. Location and network

The Bank's Head Office is located at 25 Le Dai Hanh, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi.

As at 31 March 2025, the Bank has one (1) Head Office, twenty-two (22) branches and one (1) subsidiary. The branches are located in the Northern, Central, and Southern regions.

1.8. Subsidiary

National Citizen Bank Debt Management and Asset Exploitation Company Limited ("NCB AMC") was established under Decision No. 2406/QĐ-NHNN dated 19 December 2006 by the State Bank of Vietnam. The company operates under Business Registration Certificate No. 0304767745, amended for the 14th time on 19 February 2024, issued by the Hanoi Department of Planning and Investment, with a 100% capital contribution from National Citizen Commercial Joint Stock Bank ("NCB AMC").

Its main business activities include receiving and handling the outstanding debts of National Citizen Commercial Joint Stock Bank and the collateral assets related to these debts to handle and collect as quickly as possible.

1.9. Total employees

As at 31 March 2025, the Bank and its subsidiaries have 2,146 employees (31 December 2024: 2,085 employees).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

2.1. *Accounting period*

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

2.2. *Accounting currency*

The Bank's financial statements are presented in Vietnamese Dong ("VND"). All figures are rounded to the nearest VND million for the consolidated financial statements.

3. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES

3.1. *Statement of compliance*

The Bank's Board of Management commits to preparing the consolidated financial statements 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 and presentation of consolidated financial statements.

Accordingly, the consolidated statement of financial position, consolidated income statement, consolidated statement of cash flows, and the accompanying notes to the consolidated financial statements are presented herewith. The use of these statements is not intended for users who are not provided with information about the procedures, principles, and accounting practices in Vietnam and is not intended to present the consolidated financial position, consolidated results of operations, and consolidated cash flows in accordance with generally accepted accounting principles and practices in other countries and territories outside of Vietnam.

3.2. *Basis of preparation*

The consolidated financial statements of the Bank are prepared in accordance with the Accounting System for credit institutions under Decision No. 479/2004/QĐ-NHNN dated 29 April 2004, Circular No. 10/2014/TT-NHNN dated 20 March 2014, Circular No. 22/2017/TT-NHNN dated 29 December 2017, and Circular No. 27/2021/TT-NHNN dated 31 December 2021 amending and supplementing Decision No. 479/2004/QĐ-NHNN; Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, Circular No. 49/2014/TT-NHNN amending and supplementing certain provisions of the Financial Reporting Regime for credit institutions issued with Decision No. 16/2007/QĐ-NHNN, and the Accounting System for credit institutions issued with Decision No. 479/2004/QĐ-NHNN by the Governor of the State Bank of Vietnam, and the Vietnamese Accounting Standards issued by the Ministry of Finance, including:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

3. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES (continued)

3.3. Basis of consolidation of financial statements

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the accounting period from 01 January 2025 to 31 March 2025. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date that such control ceases. In case the Bank divests its equity interest in a subsidiary resulting in loss of control over the subsidiary, the Bank only consolidates the financial result of the subsidiary from the beginning of the period up to the date of the divestment without consolidating the net assets of the subsidiary. Furthermore, the Bank makes adjustments of indirect impact of the divestment transactions on the consolidated cash flow statement.

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

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

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

3.4. Basis of assumptions and uses of estimates

The presentation of the consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent liabilities. These estimates and assumptions also affect the reported amounts of income, expenses, and provisions. These estimates are based on assumptions about several factors with varying degrees of subjectivity and uncertainty. Therefore, actual results may differ, leading to adjustments to the related items in the future.

3.5. 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 08 June 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 07 February 2024 ("Official Letter 62"), the Bank has completed the construction and approval of the Restructuring Plan for the period 2023-2025 and orientation towards 2030 ("Restructuring Plan") according to Resolution No. 1429/2024/NQ-HĐQT dated 28 June 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 (1) financial solutions: increasing charter capital; handling and recovering bad debts and outstanding assets; (2) solutions for additional risk provisioning and reversing accrued interest; and (3) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Changes in accounting policies and disclosures

The accounting policies adopted by the Bank in the preparation of these consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the period from 01 January 2024 to 31 March 2024 and the consolidated financial statements for the year ended 31 December 2024, except for the following changes:

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

According to the Law on Credit Institutions and Circular 21, effective from 01 July 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 18 June 2024 ("Circular 06") amends and supplements a number of provisions of Circular No. 02/2023/TT-NHNN dated 23 April 2023 ("Circular 02")

On 18 June 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 18 June 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 31 December 2024;
- Extension of the period for credit institutions to restructure repayment periods for customers until December 2024.

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

On 30 June 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 01 July 2024, replacing Circular 11. The significant changes of Circular 31 related to the estimation of provisions for credit losses 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 11 July 2024 ("Decree 86")

On 11 July 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 11 July 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

On 04 December 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 04 December 2024.

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

On 04 December 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 04 December 2024.

4.2. *Foreign currency conversion*

All transactions of the Bank are accounted for in their original currencies. At the end of the accounting period, assets and liabilities denominated in foreign currencies are translated into VND at the exchange rate on the date of the consolidated financial statement (*Note 37*). Income and expenses in foreign currencies of the Bank are translated into VND at the exchange rate on the date of the transaction.

Exchange rate differences resulting from the revaluation of assets and liabilities in foreign currencies into VND during the period are recorded and monitored in the item "*Exchange rate differences*" in the "*Owners' Equity*" section of the consolidated financial statement and are fully transferred to the consolidated income statement at the end of the accounting period.

4.3. *Cash and cash equivalent*

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.

4.4. *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 4.6*.

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 (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5. Loans to customers

Loans to customers are presented on the consolidated statement of financial position at their principal balances, less the provision for loan losses as of the reporting date.

The provision for credit risk of loans to customers is accounted for and presented as a separate line item on the consolidated statement of financial position.

Short-term loans are loans with a term of up to 01 year from the disbursement date. Medium-term loans have a term of over 01 year to 05 years, and long-term loans have a term of over 05 years from the disbursement date.

The classification of loans and provisioning for credit risk is carried out in accordance with Circular 31 and Decree 86 as presented in *Note 4.6*.

4.6. Debt classification and provisions 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;
- Financial leasing;
- Discounting and rediscounting of negotiable instruments and other valuable papers;
- 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, Clause 1, Article 1 of this Circular) 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;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6. Debt classification and provisions for credit risk (continued)

- 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.

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.

General provision is monthly calculated and recognized in the Bank's consolidated income statement.

Specific provision

Specific provision is made on monthly basis and recorded in the Bank's consolidated income statement.

The specific provision as at 31 March 2025 is made based on the outstanding principal balance less discounted collaterals' value, then multiplied by provision rates which are determined based on the debt classification as at 31 March 2025. 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		Description	Provision rate
1	Current	(a) Any unmatured debt both principal and interest of which are rated likely to be fully recovered by due date; (b) Any debt which is less than 10 days past due and whose overdue principal and interest are rated likely to be fully recovered while its remaining principal and interest are rated likely to be fully recovered by due date;	0%
2	Special mention	(a) Debts are overdue for a period of between 10 days and 90 days; or (b) Debts that the repayment terms are restructured for the first time.	5%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6. Debt classification and provisions for credit risk (continued)

Group	Description	Provision rate
3	Sub-standard (a) Debts are overdue for a period of between 91 days and 180 days; or (b) Debts that the repayment terms are extended for the first time; or (c) Debts that interests are exempted or reduced because customers do not have sufficient capability to repay all interests under credit contracts; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: - A debt violating provisions of clauses 1, 3, 4, 5, 6 Article 134 of the Law on Credit Institutions; - A debt violating provisions of clauses 1, 2, 3, 4 Article 135 of the Law on Credit Institutions; - A debt violating provisions of clauses 1, 2, 5, 9 Article 136 of the Law on Credit Institutions; (e) Debts are required to be recovered according to regulatory inspection conclusions. (f) Debts are required to be recovered according to the Banks' decision on early recovery due to customers' breach of agreements but have not yet been recovered in 30 days from the issuance date of the decision; or (g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.	20%
4	Doubtful (a) Debts are overdue for a period of between 181 days and 360 days; or (b) Debts that the repayment terms are restructured for the first time but still overdue for a period of 90 days under that restructured repayment term; or (c) Debts that the repayment terms are restructured for the second time; or (d) Debts are specified in Point (d) of Loan group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or (e) Debts are required to be recovered according to regulatory inspection conclusions but still overdue for a period up to 60 days since the recovery date as required by regulatory inspection conclusions. (f) Debts are required to be recovered according to the Banks' decision on early recovery due to customers' breach of agreements but have not yet been recovered for a period of between 30 days and 60 days from the issuance date of the decision; or (g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.	50%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6. Debt classification and provisions for credit risk (continued)

Group	Description	Provision rate
5 Loss	(a) Debts are overdue for a period of more than 360 days; or (b) Debts that the repayment terms are restructured for the first time but still overdue for a period of 91 days or more under that first restructured repayment term; or (c) Debts that the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts that the repayment terms are restructured for the third time or more, regardless of being overdue or not; or (e) Debts are specified in Point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts are required to be recovered under regulatory inspection conclusions but still overdue for a period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or (g) Debts are required to be recovered according to the Banks' decision on early recovery due to customers' breach of agreements but have not yet been recovered for a period of more than 60 days from the issuance date of the decision; or (h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are suspended. (i) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.	100%

For payments on behalf arising from off-balance sheet commitments, the Bank classifies loans based on overdue days starting from the date when the Bank committed obligation:

- ▶ Group 3 – Sub-standards: overdue for less than 30 days;
- ▶ Group 4 – Doubtful: overdue for between 30 days and 90 days;
- ▶ Group 5 – Loss: overdue for 90 days or more.

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

If a customer's debts with the Bank are classified into a lower risk group than the loan group provided by the National Credit Information Center of Vietnam ("CIC"), the Bank is required to adjust the classification of such customer into the corresponding higher risk group according to classification result from CIC.

When the Bank participates in a syndicated loan as a participant, the Bank classifies loans (including syndicated loans) of the customer into the higher of the risk group assessed by the leading bank and by the Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6. *Debt classification and provisions for credit risk* (continued)

From 13 March 2020 to 30 June 2022, the Bank applied the policy of loan restructuring, interest and/or fees exemption or reduction and loan classification retention for loans that meet conditions according to Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01"), Circular No. 03/2021/TT-NHNN ("Circular 03") dated 02 April 2021 and Circular No. 14/2021/TT-NHNN ("Circular 14") dated 07 September 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.

From 24 April 2023, the Bank applied the policy of restructuring and loan classification retention to support customers facing difficulties in production and business activities and customers facing difficulties in repaying loans for living and consumption needs. This policy aligns with the conditions set forth in Circular No. 02/2023/TT-NHNN ("Circular 02") dated 23 April 2023, and Circular No. 06/2024/TT-NHNN ("Circular 06") dated 18 June 2024, amending and supplementing a number of articles of Circular No. 02 issued by the State Bank of Vietnam regulating credit institutions to support customers facing difficulties in production and business activities and customers facing and foreign bank branches to restructure the debt repayment period and maintain the debt group difficulties in repaying loans for living and consumption needs.

From 04 December 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.

4.7. *Investment securities*

4.7.1. *Classification*

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

Held-to-maturity investment securities

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

Available-for-sale investment securities

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

4.7.2. *Recognition*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7. *Investment securities* (continued)

4.7.3. *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 income statement 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 income statement 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 No. 48/2019/TT-BTC dated 08 August 2019 ("Circular 48"), as amended and supplemented by Circular No. 24/2022/TT-BTC dated 07 April 2022 ("Circular 24") issued by the Ministry of Finance. Provision for diminution is recognized in the "*Net gain/(loss) from investment securities*" item of the consolidated income statement.

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 reporting date. If there is no transaction within 10 days to the reporting 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 4.6*.

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

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

4.7.4. *De-recognition*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8. Other long-term investments

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

In cases where the shares of the invested entities are registered for trading on the Unlisted Public Company Market (UPCoM), provisions for impairment are made when the actual market price, determined as the average reference price over the 30 consecutive trading days before the financial statement date as announced by the Stock Exchange, is lower than the cost of the investment. If the shares of the joint-stock company registered for trading on the UPCoM have no transactions within 30 days before the financial statement date, the Bank determines the provision level for each investment according to the regulations similar to the cases of other investments below.

Accordingly, at the time of preparing the consolidated financial statements and/or at the end of the Bank's fiscal year, if the investments in economic organizations have decreased in value compared to the investment value, the Bank makes provisions for these investments according to Clause 2, Article 5 of Circular 48.

Based on the consolidated financial statements of the invested economic organization prepared at the same time as the Bank's consolidated financial statements, provisions for each unlisted investment or registered on the UPCoM are calculated according to the following formula:

Level of provision for investment	=	Actual rate of charter capital (%) of the enterprise at an usiness organization at the time of making the provision	x	Parties' actual investment capital at the business organization receiving capital contribution at the time of making the provision	-	Actual equity capital of business organization at the time of making the provision
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In the event that the economic organization receiving the capital contribution does not prepare a financial report simultaneously with the Bank's provisioning, the Bank will base its provisions upon the most recent financial report of that organization.

4.9. Fixed assets

Fixed assets are presented at cost less accumulated depreciation or amortization.

The initial cost of fixed assets includes the purchase price of the asset, including import duties, non-refundable input taxes, and directly related costs to bring the asset to its intended use condition and location.

Costs of acquisition, upgrades, and renewals of fixed assets are added to the cost of the fixed assets; maintenance and repair costs are expensed as incurred.

When fixed assets are sold or disposed of, the cost and accumulated depreciation are written off, and any resulting gains or losses from the disposal are recognized in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9. Fixed assets (continued)

Depreciation and amortization of tangible and intangible fixed assets are calculated using the straight-line method over the estimated useful life of the fixed assets, in accordance with the guidance in Circular No. 45/2023/TT-BTC dated 25 April 2013, as amended and supplemented by Circular No. 147/2016/TT-BTC dated 13 October 2016 and Circular No. 28/2017/TT-BTC dated 12 April 2017 issued by the Ministry of Finance as follows:

Buildings and structures	5-40 years
Machinery and equipment	3-5 years
Transportation and facilities	8 years
Other tangible fixed assets	5 years
Computer software	5 years
Other intangible fixed assets	Up to 20 years

Land use rights with a definite term are amortized over the period specified on the land use rights certificate. Land use rights with an indefinite term are recorded at their original cost and are not subject to amortization.

4.10. Operating lease payments

Operating lease payments are recognized in the "Operating expenses" item on the consolidated income statement using the straight-line method over the lease term. Lease commissions received are recognized in the consolidated income statement as an integral part of the total lease cost.

4.11. Receivables

4.11.1. Receivables classified as credit risk bearing assets

Receivables classified as credit risk assets are recognized at cost.

Receivables classified as credit risk assets are subject to debt classification and provisioning for credit risk by the Bank in accordance with legal regulations on provisioning and use of provisions to handle risks, as presented in Note 4.6.

4.11.2. Other receivables

Other receivables not classified as credit risk assets are recognized at cost.

Other receivables are considered for provisioning for credit risk based on the overdue age of the debt or the anticipated loss that may occur in cases where the debt is not yet due but the economic organization is bankrupt or undergoing dissolution procedures; the debtor is missing, absconding, being prosecuted, tried, or serving a sentence by legal authorities, or has died. Provision expenses are recognized in the "Operating expenses" item on the consolidated income statement.

For overdue receivables, the provisioning levels are stipulated in Circular 48 and Circular 24 as follows:

Overdue status	Provision rate
From six months up to under one year	30%
From one year up to under two years	50%
From two years up to under three years	70%
From three years	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12. *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated statement of financial position and amortized over the period for which the amount is paid or the period in which economic benefit is generated in relation to these expenses.

4.13. *Interest income and expenses*

Interest income is recognized in the consolidated income statement on an accrual basis for debts classified as standard debts not requiring specific risk 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.

4.14. *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.

4.15. *Capital and reserve*

Charter capital

Charter capital is formed from the amount contributed by shareholders to purchase shares or stocks, or supplemented from after-tax profits according to the Resolution of the General Meeting of Shareholders or as stipulated in the Bank's charter. Charter capital is recognized based on the actual capital contributed in cash or assets calculated at the par value of the issued shares at the time of establishment or additionally raised to expand the Bank's operations.

Share premium

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

Treasury share

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 owners' capital

Other owners' capital is the business resource which is added from the operating result or offered, sponsored or under assets revaluation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15. *Capital and reserve* (continued)

Funds and reserves

The Bank allocates the following reserve funds before distributing profits in accordance with the Law on Credit Institutions No. 47/2010/QH12 dated 16 June 2010, Decree No. 93/2017/ND-CP dated 07 August 2017 on the financial regime for credit institutions, foreign bank branches, and financial supervision, evaluation of the efficiency of state capital investment in credit institutions wholly owned by the state, and credit institutions with state capital, and according to the Bank's Charter.

Retained earnings

Principles for Recognizing Undistributed Profits: These are recognized as the profit (or loss) from the business operations of the Bank after deducting (-) the corporate income tax expenses for the current period and adjustments due to retrospective application of changes in accounting policies and retrospective adjustments of material errors from previous years.

The distribution of profits and the establishment of funds are based on the Bank's charter and the Board of Directors' proposal approved by the Annual General Meeting of Shareholders.

4.16. *Deposits and borrowings from other CIs, deposits from customers and valuable papers issued*

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

At initial recognition, premiums/ discount arising from the issuance of valuable papers are recorded as an increase/ decrease in the principal balance of the bonds. The Bank allocates these costs to "Interest and similar expenses" using the straight-line method in accordance with the term of the papers.

4.17. *Payables and accrued expenses*

Payables and accrued expenses are recognized for amounts to be paid in the future for goods and services received, whether or not the Bank has received an invoice from the suppliers.

4.18. *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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18. *Principles and methods for recognizing corporate income tax and corporate income tax expenses* (continued)

The carrying amount of deferred tax assets

The carrying amount of deferred tax assets must be reassessed at each reporting 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 reporting 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 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.

4.19. *Offset*

Financial assets and liabilities can only be offset and presented at their net value in the consolidated statement of financial position when the Bank has a legally enforceable right to offset them and intends to settle both simultaneously or realize the assets and settle the liabilities concurrently.

4.20. *Derivatives*

The Bank engages in foreign exchange forward contracts, swap contracts, and futures contracts to enable customers to manage, adjust, or mitigate foreign exchange risk or other market risks, as well as to serve the Bank's business objectives.

Foreign currency forward contracts

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 "Owners' Equity" and transferred to the consolidated income statement at the end of the accounting period.

Currency Swap Contracts

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20. Derivatives (continued)

Interest Rate Swap Contracts

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.

4.21. Employee benefits

Post-employment benefits

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

Voluntary resignation

The Bank has the obligation, under Article 46 of the Vietnam Labor Code No. 45/2019/QH14 effective from 01 January 2021, to pay allowance arising from voluntary resignation of employees, equal to a half of monthly salary for each year of employment up to 31 December 2008 plus salary allowances (if any). The average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. Accordingly, the working time at the Bank to calculate the severance payment is the total actual working time at the Bank minus the time employees participating in the unemployment insurance in accordance with the law on unemployment insurance and the working time for which severance allowances have been paid by the employer.

Unemployment allowance

According to Article 57 of Law of Employment No. 38/2013/QH13 effective from 01 January 2015 and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government on guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance.

4.22. Segment Reporting

A segment is a separately identifiable component of a Bank that engages in business activities and risks that are distinguishable from those of the other segments. The Bank's primary segment is reported on a geographic basis. The Bank's secondary segment is reported on a business line basis. Currently, the Bank primarily operates in the banking business, which involves the regular conduct of the following activities: accepting deposits, granting credit, providing payment services, and other banking activities. Accordingly, the Executive Board is of the opinion that the Bank has only one business segment, banking operations, and that the Bank's risks and returns are reflected in this single business line. Therefore, the Bank does not need to present detailed segment reports by business line.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23. *Items with zero balances*

Items that are not presented in these financial statements pursuant to Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, and Circular No. 49/2014/TT-NHNN dated 31 December 2014, on the financial reporting regime for credit institutions issued by the State Bank of Vietnam on 31 December 2024 are items with zero balances.

4.24. *Business combination and goodwill*

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

5. CASH AND GOLD

	31/3/2025 VND million	31/12/2024 VND million
Cash on hand in VND	294,389	240,919
Cash on hand in foreign currencies	87,994	55,726
	382,383	296,645

6. BALANCES WITH THE STATE BANK OF VIETNAM

	31/3/2025 VND million	31/12/2024 VND million
Current accounts and compulsory reserves	3,013,644	3,507,305
- In VND	2,988,409	3,489,130
- In foreign currencies	25,235	18,175
	3,013,644	3,507,305

Balances with the State Bank of Vietnam (SBV) include payment deposits and mandatory reserve funds at the SBV.

According to the SBV's regulations on mandatory reserves, banks are allowed to maintain a floating balance in the mandatory reserve account ("MRA"). The average monthly balance of the mandatory reserve must not be lower than the average balance of individual and corporate customer deposits of the previous month multiplied by the corresponding mandatory reserve ratio.

As at 31 March, 2025, the mandatory reserve deposits at the SBV in VND and foreign currency deposits at the SBV earned interest rates of 0.50% per annum and 0.00% per annum, respectively (as at 31 December 2024: 0.50% per annum and 0.00% per annum).

The mandatory reserve ratios at the end of the accounting period are as follows:

	31/3/2025 %	31/12/2024 %
Demand deposits and term deposits in VND with a maturity of less than 12 months	3.00	3.00
Term deposits in VND with a maturity of over 12 months	1.00	1.00
Foreign currency deposits with a maturity of less than 12 months	8.00	8.00
Foreign currency deposits with a maturity of over 12 months	6.00	6.00
Foreign currency deposits of overseas credit institutions	1.00	1.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

7. DEPOSITS AND LOANS TO OTHER CREDIT INSTITUTIONS

	31/3/2025 VND million	31/12/2024 VND million
Demand deposits	13,816,561	9,323,929
<i>In VND</i>	13,463,475	8,791,325
<i>In foreign currencies</i>	353,086	532,604
Term deposits	4,100,000	5,750,000
<i>In VND</i>	4,100,000	5,750,000
	17,916,561	15,073,929

Analysis of balances and loans to other CIs by credit quality:

	31/3/2025 VND million	31/12/2024 VND million
Current	4,100,000	5,750,000
	4,100,000	5,750,000

8. LOANS TO CUSTOMERS

	31/3/2025 VND million	31/12/2024 VND million
Loans to local economic entities and individuals	78,016,106	71,137,541
Discounted bills and valuable papers	-	7,398
Loans financed by entrusted funds	13,131	13,933
Payments on behalf of customers	12,128	15,848
	78,041,365	71,174,720

8.1. Loan portfolio by credit quality

	31/3/2025 VND million	31/12/2024 VND million
Current	66,265,617	55,935,874
Special mention	821,185	1,331,532
Substandard	206,100	280,960
Doubtful	328,633	438,642
Loss	10,419,830	13,187,712
	78,041,365	71,174,720

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

8. LOANS TO CUSTOMERS (continued)

8.2. Loan portfolio by original term

	31/3/2025 VND million	31/12/2024 VND million
Short-term	24,886,565	22,385,410
Medium-term	31,136,762	30,409,105
Long-term	22,018,038	18,380,205
	78,041,365	71,174,720

9. PROVISION FOR LOANS TO CUSTOMERS

Provision for loans to customers consists of:

	31/3/2025 VND million	31/12/2024 VND million
General provision	507,162	434,903
Specific provision	717,935	761,413
	1,225,097	1,196,316

Movements in provision for loans to customers during the period from 01 January 2025 to 31 March 2025 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	434,903	761,413	1,196,316
Provision made/ (reversed) during the period (Note 31)	72,259	(2,863)	69,396
Use of provision for loans to customers	-	(40,615)	(40,615)
Closing balance	507,162	717,935	1,225,097

Movements in provision for loans to customers during the period from 01 January 2024 to 31 December 2024 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	312,594	765,501	1,078,095
Provision made/ (reversed) during the period (Note 31)	122,309	99,114	221,423
Use of provision for loans to customers	-	(142,573)	(142,573)
Increases due to receiving loans from VAMC	-	39,371	39,371
Closing balance	434,903	761,413	1,196,316

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

10. INVESTMENT SECURITIES

Investment securities as at period end date included:

	31/3/2025 VND million	31/12/2024 VND million
Available-for-sale securities	5,101,284	4,550,275
Debt securities	5,101,284	4,550,275
Government bonds	1,881,284	1,990,275
Bonds issued by other local CIs	3,220,000	2,560,000
Held-to-maturity securities	16,515,778	14,325,518
Debt securities	16,515,778	14,325,518
Bonds issued by local economic entities	16,515,778	14,325,518
Provision for investment securities	(152,989)	(157,489)
Specific provision for Held-to-maturity investment securities	(152,989)	(157,489)
	21,464,073	18,718,304

11. CAPITAL CONTRIBUTIONS, LONG-TERM INVESTMENTS

	31/3/2025 VND million	31/12/2024 VND million
Other long-term investments – cost	719,600	719,600
Provision for long-term investments	(348,356)	(348,356)
	371,244	371,244

Other long-term investments

	31/3/2025		31/12/2024	
	Historical cost VND million	Share holding %	Historical cost VND million	Share holding %
Saigon-Quy Nhon Minerals JSC	273,700	3.18	273,700	3.18
Saigon Investment JSC (SGI)	338,200	11.00	338,200	11.00
Navibank Securities JSC	17,700	7.02	17,700	7.02
Saigon - Binh Thuan Electricity Plant Investment and Development JSC	90,000	9.00	90,000	9.00
	719,600		719,600	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

12. TANGIBLE FIXED ASSETS

Movements of tangible fixed assets from 01 January 2025 to 31 March 2025 are as follows:

Unit: VND million

	<i>Building and structures</i>	<i>Machines, equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost						
Opening balance	43,815	187,278	70,912	95,021	33	397,059
Additions	-	-	-	1,868	-	1,868
Disposals	(59)	(629)	(2,181)	(4,118)	-	(6,987)
Closing balance	43,756	186,649	68,731	92,771	33	391,940
Accumulated depreciation						
Opening balance	16,115	88,270	38,140	45,934	33	188,492
Charged for the period	350	4,775	1,404	3,078	-	9,607
Disposals	(59)	(617)	(2,181)	(3,507)	-	(6,364)
Closing balance	16,406	92,428	37,363	45,505	33	191,735
Net book value						
Opening balance	27,700	99,008	32,772	49,087	-	208,567
Closing balance	27,350	94,221	31,368	47,266	-	200,205

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

12. TANGIBLE FIXED ASSETS (continued)

Movements of tangible fixed assets from 01 January 2024 to 31 December 2024 are as follows:

Unit: VND million

	<i>Building and structures</i>	<i>Machines, equipment</i>	<i>Means of transportation</i>	<i>Office equipment</i>	<i>Others</i>	<i>Total</i>
Cost						
Opening balance	44,017	159,835	77,375	81,984	437	363,648
Additions	-	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
Accumulated depreciation						
Opening balance	14,874	77,704	39,569	59,513	280	191,940
Charged for the period	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
Net book value						
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

As at 31 March 2025, the original cost of fully depreciated tangible fixed assets still in use was VND 75,888 million (31 December 2024: VND 79,973 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

13. INTANGIBLE FIXED ASSETS

Movements of intangible fixed assets from 01 January 2025 to 31 March 2025 are as follows:

Unit: VND million

	<u>Land use right</u>	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
Cost				
Opening balance	609,010	182,706	57,732	849,448
Additions	-	20,041	-	20,041
Disposals	(72,862)	(230)	-	(73,092)
Closing balance	536,148	202,517	57,732	796,397
Accumulated amortization				
Opening balance	-	78,201	57,704	135,905
Charged for the period	-	3,882	15	3,897
Disposals	-	(230)	-	(230)
Other movements	-	81,853	57,719	139,572
Closing balance				
Net book value				
Opening balance	609,010	104,505	28	713,543
Closing balance	536,148	120,664	13	656,825

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

13. INTANGIBLE FIXED ASSETS (continued)

Movements of intangible fixed assets from 01 January 2024 to 31 December 2024 are as follows:

Unit: VND million

	<i>Land use right</i>	<i>Computer software</i>	<i>Others</i>	<i>Total</i>
Cost				
Opening balance	536,147	141,253	57,747	735,147
Additions	72,863	41,759	-	114,622
Disposals	-	(306)	(15)	(321)
Closing balance	609,010	182,706	57,732	849,448
Accumulated amortization				
Opening balance	-	63,645	57,464	121,109
Charged for the period	-	14,818	248	15,066
Disposals	-	(262)	-	(262)
Other movements	-	-	(8)	(8)
Closing balance	-	78,201	57,704	135,905
Net book value				
Opening balance	536,147	77,608	283	614,038
Closing balance	609,010	104,505	28	713,543

As at 31 March 2025, the original cost of fully depreciated intangible fixed assets still in use was VND 99,354 million (31 December 2024: VND 97,820 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

14. OTHER ASSETS

	31/3/2025 VND million	31/12/2024 VND million
Construction in progress	64,347	49,165
Receivables	8,280,141	8,143,727
Interest and fee receivables	626,646	499,530
Other assets	2,769,185	2,617,793
Provision for other assets	(1,679,440)	(1,679,440)
	10,060,879	9,630,775

15. AMOUNT DUE TO THE GOVERNMENT AND THE SBV

	31/3/2025 VND million	31/12/2024 VND million
Borrowings from the SBV	855,959	-
Borrowings pledged by valuable papers	855,959	-
	855,959	-

16. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	31/3/2025 VND million	31/12/2024 VND million
Demand deposits	11,040,935	7,536,450
In VND	11,040,865	7,536,383
In foreign currencies	70	67
Term deposits	3,700,000	2,500,000
In VND	3,700,000	2,500,000
Borrowings from other CIs	200,000	-
In VND	200,000	-
	14,940,935	10,036,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

17. DEPOSITS FROM CUSTOMERS

	31/3/2025 VND million	31/12/2024 VND million
Demand deposits	8,282,019	9,083,078
Demand deposits in VND	7,919,105	8,812,927
Demand deposits in foreign currencies	362,914	270,151
Term deposits	93,942,334	86,781,912
Term deposits in VND	93,880,550	86,716,234
Term deposits in foreign currencies	61,784	65,678
Deposits for specific purposes	288	288
Margin deposits	303,276	251,908
	102,527,917	96,117,186

18. DERIVATIVES AND OTHER FINANCIAL ASSETS/ (LIABILITIES)

	Total contract value (at the exchange rate on the effective date of the contract) VND million	Total book value (at the exchange rate at the reporting date)		
		Assets VND million	Liabilities VND million	Net carrying amount VND million
As at 31 March 2025				
Currencies derivatives	9,400,786	832	-	832
Forward transactions	613,415	49	-	49
Swap transactions	8,787,371	783	-	783
Other derivatives	-	-	-	-
	9,400,786	832	-	832
As at 31 December 2024				
Currencies derivatives	10,950,329	-	(86,313)	(86,313)
Forward transactions	41,459	-	(53)	(53)
Swap transactions	10,908,870	-	(86,260)	(86,260)
Other derivatives	-	-	-	-
	10,950,329	-	(86,313)	(86,313)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

19. BORROWED AND ENTRUSTED FUND

	31/3/2025 VND million	31/12/2024 VND million
Funds received from other domestic entities and individuals in VND	10,028	11,150
	10,028	11,150

Capital received from Loan Agreement No. VNXII-5 for the SME Financing Project, signed between the Government of the Socialist Republic of Vietnam and the Japan International Cooperation Agency (JICA). The disbursement is aligned with the framework agreement signed between the State Bank of Vietnam and the National Citizen Commercial Joint Stock Bank on 01 July 2015.

20. VALUABLE PAPERS ISSUED

Valuable papers issued by currency and original term are as follows:

	31/3/2025 VND million	31/12/2024 VND million
From 1 to 5 years	770,702	763,602
Certificates of deposit in VND	770,702	763,602
Over 5 years	3,989,691	3,541,041
Certificates of deposit in VND	3,989,691	3,541,041
	4,760,393	4,304,643

21. OTHER LIABILITIES

	31/3/2025 VND million	31/12/2024 VND million
Internal payables	154,502	307,293
External payables	274,699	347,609
Tax payables (Note 22)	20,093	9,215
Accrued interest and fee payables	1,094,775	1,186,011
	1,544,069	1,850,128

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

22. OBLIGATIONS TO THE STATE TREASURY

Unit: VND million

	31/12/2024	Occurring during the period		31/3/2025
		Payables	Payment	
Value added tax	2,002	11,618	(4,254)	9,366
Corporate income tax	(47)	626	-	579
Other taxes	7,260	62,328	(59,440)	10,148
	9,215	74,572	(63,694)	20,093

Current Corporate Income Tax

The current corporate income tax ("CIT") payable is determined based on the taxable income for the current period. Taxable income differs from the income reported in the consolidated income statement because taxable income excludes income items that are taxable or deductible in different periods due to differences between the Bank's accounting policies and current tax regulations, and it also excludes items that are non-taxable or non-deductible for tax purposes. The Bank's current corporate income tax payable is calculated at the tax rates that have been enacted by the end of the accounting period.

The Bank's tax returns are subject to examination by tax authorities. As the application of tax laws and regulations can be interpreted in various ways, the tax amounts presented in the consolidated financial statements may be subject to changes according to the final decision of the tax authorities.

The current corporate income tax rate of the Bank is 20% (2024: 20%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

23. OWNERS' EQUITY

23.1. Changes in capital and reserves

Changes in capital and reserves of the Bank for the period from 01 January 2025 to 31 March 2025 are as follows:

Unit: VND million

	Charter capital	Share premium	Treasury shares	Investment and Development fund	Financial reserve	Supplementary charter capital reserve	Other funds	Retained earnings	Total
As at 01 January 2024	5,601,555	-	(29,644)	1,105	78,998	47,769	29,644	(634,755)	5,094,672
Net profit for the period	-	-	-	-	-	-	-	(5,128,938)	(5,128,938)
Capital increase for the period	6,178,293	(216)	-	-	-	-	-	-	6,178,077
Use of reserves for the period	-	-	-	-	(50,965)	-	-	-	(50,965)
As at 31 December 2024	11,779,848	(216)	(29,644)	1,105	28,033	47,769	29,644	(5,763,693)	6,092,846
Net profit for the period	-	-	-	-	-	-	-	150,767	150,767
As at 31 March 2025	11,779,848	(216)	(29,644)	1,105	28,033	47,769	29,644	(5,612,926)	6,243,613

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

23. OWNERS' EQUITY (continued)

23.2. Share capital

Breakdown of share capital at the reporting date:

	31/3/2025 VND million	31/12/2024 VND million
Charter capital	11,779,848	11,779,848
Share premium	(216)	(216)
Treasury shares	(29,644)	(29,644)
	11,749,988	11,749,988

Number of shares at the reporting date:

	31/3/2025	31/12/2024
Registered share capital	1,180,155,587	1,180,155,587
Issued share capital	1,177,984,751	1,177,984,751
Ordinary shares	1,177,984,751	1,177,984,751
Treasury shares repurchased	3,352,000	3,352,000
Ordinary shares	3,352,000	3,352,000
Outstanding share capital	1,174,632,751	1,174,632,751
Ordinary shares	1,174,632,751	1,174,632,751

24. INTEREST AND SIMILAR INCOME

	From 01/01/2025 to 31/3/2025 VND million	From 01/01/2024 to 31/3/2024 VND million
Interest income from deposits	44,812	16,797
Interest income from loan to customers and credit granting to other Cis	1,678,934	1,268,556
Interest income from debt investment securities	71,792	87,952
Income from guarantee services	41,810	40,873
Other income from credit activities	3,804	9,232
	1,841,152	1,423,410

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

25. INTEREST AND SIMILAR EXPENSES

	<i>From 01/01/2025 to 31/3/2025 VND million</i>	<i>From 01/01/2024 to 31/3/2024 VND million</i>
Interest expenses for deposits	1,245,479	1,142,241
Interest expenses for borrowings	2,796	134
Interest expenses for valuable papers issued	88,007	59,427
Expenses for other credit activities	9	-
	1,336,291	1,201,802

26. NET FEES AND COMMISSION INCOME

	<i>From 01/01/2025 to 31/3/2025 VND million</i>	<i>From 01/01/2024 to 31/3/2024 VND million</i>
Fees and commission income	58,098	26,743
Settlement and cash services	42,311	17,558
Treasury services	435	356
Other services	15,352	8,829
Fees and commission expenses	(28,838)	(20,604)
Settlement and cash services	(10,888)	(9,611)
Treasury services	(1,193)	(1,056)
Other services	(16,757)	(9,937)
	29,260	6,139

27. NET GAIN/ LOSS FROM TRADING OF FOREIGN CURRENCIES

	<i>From 01/01/2025 to 31/3/2025 VND million</i>	<i>From 01/01/2024 to 31/3/2024 VND million</i>
Gain from trading of foreign currencies	171,746	123,027
Currency spots	165,077	82,152
Currency derivatives	6,669	40,875
Loss from trading of foreign currencies	(138,269)	(98,873)
Currency spots	(122,187)	(56,223)
Currency derivatives	(16,082)	(42,650)
	33,477	24,154

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

28. NET GAIN/ LOSS FROM TRADING OF INVESTMENT SECURITIES

	<i>From 01/01/2025 to 31/3/2025 VND million</i>	<i>From 01/01/2024 to 31/3/2024 VND million</i>
Gain from trading of investment securities	18,415	69,230
Loss from trading of investment securities	(563)	(682)
	17,852	68,548

29. NET GAIN/ LOSS FROM OTHER OPERATING ACTIVITIES

	<i>From 01/01/2025 to 31/3/2025 VND million</i>	<i>From 01/01/2024 to 31/3/2024 VND million</i>
Other operating income	89,985	5,229
Other operating expenses	(77,232)	(12,866)
	12,753	(7,637)

30. OPERATING EXPENSES

	<i>From 01/01/2025 to 31/3/2025 VND million</i>	<i>From 01/01/2024 to 31/3/2024 VND million</i>
Tax, duties and fees	6,418	7,068
Employee expenses	222,498	203,046
<i>In which:</i>		
- Salaries and allowances	205,346	186,545
- Salary based expenditures	9,511	8,471
- Subsidies	36	81
- Other employee expenses	7,605	7,949
Expenses on assets	69,591	58,075
- Depreciation and amortization of fixed assets	13,504	10,182
Insurance fee expenses for customers' deposits	33,743	27,598
Administrative expenses	49,664	49,010
<i>In which:</i>		
- Per diems	1,812	1,278
- Expenses for trade union activities	-	18
Provision made/(reserved) (excluding on and off-balance sheet credit loss provision; provision for impairment in the value of securities)	-	-
	381,914	344,797

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

31. PROVISION EXPENSES FOR CREDIT LOSSES

	<i>From 01/01/2025 to 31/3/2025 VND million</i>	<i>From 01/01/2024 to 31/3/2024 VND million</i>
Specific provision made/(reserved) for loans to customers (<i>Note 9</i>)	(2,863)	8,485
General provision made/(reserved) for loans to customers (<i>Note 9</i>)	72,259	1,429
Provision made/(reserved) for investment securities	(4,500)	-
	64,896	9,914

32. CASH AND CASH EQUIVALENTS

	<i>31/3/2025 VND million</i>	<i>31/12/2024 VND million</i>
Cash and gold	382,383	296,645
Balances with the SBV	3,013,644	3,507,305
Balances with other CIs with original terms of 3 months or less	17,916,561	15,073,929
	21,312,588	18,877,879

33. EMPLOYEES' BENEFITS

	<i>From 01/01/2025 to 31/3/2025 VND million</i>	<i>From 01/01/2024 to 31/3/2024 VND million</i>
I. Average total number of employees during the year (person)	2,116	1,926
II. Employees' income	212,987	186,626
III. Average monthly income/ employee	33.55	32.30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

34. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET COMMITMENTS BY GEOGRAPHICAL REGIONS

Concentration of assets, liabilities and off-balance sheet commitments by geographical regions as at reporting date is as follows:

	<i>Total loans to customers (*) VND million</i>	<i>Total deposits from customers VND million</i>	<i>Other credit commitments VND million</i>	<i>Derivatives (nominal contract value) VND million</i>	<i>Trading and investment securities (*) VND million</i>
Domestic	78,041,365	118,124,811	6,672,928	9,400,786	21,617,062
	78,041,365	118,124,811	6,672,928	9,400,786	21,617,062

(*) *Excluding provisions*

35. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS

This section provides details on the risks that the Bank may encounter related to financial instruments and describes in detail the policies and methods the Bank uses to control these risks. The most significant financial risks that the Bank may face related to financial instruments include:

- Credit risk;
- Market risk;
- Liquidity risk.

35.1. Credit risk

Credit risk is the risk that a party involved in a financial instrument or contract, such as a customer, fails to fulfill their obligations, resulting in financial loss. Credit risk arises from lending and guaranteeing activities in various forms.

The Bank also faces other credit risks arising from investments in debt securities and other risks in the Bank's trading activities ('transaction risk'), including non-equity trading portfolio assets, derivatives, and settlement balances with counterparties.

The Bank maintains a credit risk management policy that ensures the following fundamental principles: establishing an appropriate credit risk management environment; operating under a sound credit granting process; maintaining an appropriate credit administration, measurement, and monitoring process; and ensuring adequate control over credit risk.

35.2. Market risk

Market risk is the risk of adverse fluctuations and changes in market risk factors (including interest rates, exchange rates, securities prices, and commodity prices on the market, etc.) that negatively impact the Bank's income and capital. Market risk arises from open positions in interest rates, currency products, and equity instruments, all of which are affected by general market movements and specific market changes, as well as changes in the volatility of market prices such as interest rate risk, currency risk, and other price risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

35. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

35.2. Market risk (continued)

35.2.1. Interest rate risk

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

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

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

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

- ▶ Cash and gold, capital contribution, long-term investments, fixed assets, other assets and other liabilities are classified as "Non-sensitive to interest rate" items;
- ▶ The interest rate repricing terms for trading securities and investment securities are determined based on the remaining contractual maturity at the date of the consolidated financial statements if such securities have a fixed interest rate, or based on the interest rate repricing terms if such securities have a floating interest rate;
- ▶ The interest rate repricing terms for trading securities and investment securities are determined based on the remaining contractual maturity at the date of the consolidated financial statements if such securities have a fixed interest rate, or based on the interest rate repricing terms if such securities have a floating interest rate;
- ▶ The interest rate repricing terms for deposits and loans to the SBV and other CIs; derivative financial instruments and other financial assets and liabilities; loans to customers; deposits and borrowings from the Government and SBV; deposits and borrowings from other CIs; and deposits from customers are determined as follows:
 - For items with a fixed interest rate throughout the term of the contract: the actual interest rate repricing term is based on the actual maturity date calculated from the date of the consolidated financial statements;
 - For items with a floating interest rate: the actual interest rate repricing term is based on the most recent interest rate repricing term calculated from the date of the consolidated financial statements;
 - For demand deposits: the interest rate repricing term will correspond to the stability of the demand deposit portfolio over time, based on the results of analyzing the behavior of this portfolio in a moderately stressful scenario;
- ▶ The interest rate repricing term for the issuance of securities is based on the contractual payment/maturity period of each type of security if the security has a fixed interest rate or based on the contractual interest rate repricing terms if it is a floating rate.

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as at 31 March 2025 and for the period from 01 January 2025 to 31 March 2025

35. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

35.2. Market risk (continued)

35.2.1. Interest rate risk (continued)

The table below summarizes the Bank's interest rate risk as at 31 March 2025:

Unit: VND million									
	Overdue	Non-interest bearing	Up to 1 month	From 1-3 months	From 3-6 months	From 6-12 months	From 1-5 years	Over 5 years	Total
Assets									
Cash and gold	-	382,383	-	-	-	-	-	-	382,383
Balances with the SBV	-	-	3,013,644	-	-	-	-	-	3,013,644
Deposits and loans to other CIs (*)	-	-	17,616,561	300,000	-	-	-	-	17,916,561
Derivatives and other financial assets	-	-	10,742	(3,120)	792	(7,582)	-	-	832
Loans to customers (*)	8,030,758	-	15,284,359	37,196,297	5,775,269	2,117,649	9,227,739	409,294	78,041,365
Investment securities (*)	31,554	-	-	90,655	1,060,000	2,733,049	14,458,298	3,243,506	21,617,062
Capital contributions, long-term investments (*)	-	-	-	-	-	-	-	719,600	719,600
Fixed assets	-	857,030	-	-	-	-	-	-	857,030
Other assets (*)	-	7,121,898	161,741	103,945	54,877	2,037,086	2,070,547	190,225	11,740,319
Total assets	8,062,312	8,361,311	36,087,047	37,687,777	6,890,938	6,880,202	25,756,584	4,562,625	134,288,796
Liabilities									
Deposits and borrowings from the SBV and other CIs	-	-	15,596,894	-	-	200,000	-	-	15,796,894
Deposits from customers	-	-	19,304,059	13,206,720	22,382,316	10,764,415	36,870,407	-	102,527,917
Borrowed and entrusted funds	-	-	-	9,457	428	-	143	-	10,028
Valuable papers issued	-	-	-	-	-	470,872	2,290,195	1,999,326	4,760,393
Other liabilities	-	449,294	136,221	204,546	192,774	148,398	379,205	33,631	1,544,069
Total liabilities	-	449,294	35,037,174	13,420,723	22,575,518	11,583,685	39,539,950	2,032,957	124,639,301
On-balance sheet interest sensitivity gap	8,062,312	7,912,017	1,049,873	24,267,054	(15,684,580)	(4,703,483)	(13,783,366)	2,529,668	9,649,495
Off-balance sheet commitments affecting the sensitivity level with the interest rate of assets and liabilities (net)	-	42,590,310	-	-	-	-	-	-	42,590,310
On and off-balance sheet interest sensitivity gap	8,062,312	50,502,327	1,049,873	24,267,054	(15,684,580)	(4,703,483)	(13,783,366)	2,529,668	52,239,805

(*) Excluding provisions

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35. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

35.2. Market risk (continued)

35.2.2. Currency risk

Currency risk is the risk that the value of financial instruments fluctuates due to exchange rate movements. The Bank was established and operates in Vietnam with the Vietnamese Dong as its functional currency. The Bank's primary transaction currency is also the Vietnamese Dong. The Bank's loans and advances to customers are mainly in Vietnamese Dong and US Dollars. However, some of the Bank's other assets are in foreign currencies other than Vietnamese Dong and US Dollars. The Bank has established position limits for each currency. Currency positions are monitored daily, and hedging strategies are used by the Bank to ensure that currency positions are maintained within the established limits.

Exchange rates of significant foreign currencies against VND as at the reporting date are presented at Note 37.

Presentation of assets and liabilities of the Bank by currencies converted into VND as at 31 March 2025:

Unit: VND million

	USD equivalent	EUR equivalent	Other currencies equivalent	Total
Assets				
Cash and gold	87,837	4	153	87,994
Balances with the SBV	24,736	499	-	25,235
Deposits and loans to other CIs (*)	319,158	7,257	26,671	353,086
Derivatives and other financial assets	97,904	-	-	97,904
Loans to customers (*)	716,380	-	-	716,380
Other assets (*)	1,137	-	-	1,137
Total assets	1,247,152	7,760	26,824	1,281,736
Liabilities and owners' equity				
Deposits and borrowings from the SBV and other CIs	-	70	-	70
Deposits from customers	417,805	1,522	5,456	424,783
Other liabilities	2,659	86	-	2,745
Total liabilities and owners' equity	420,464	1,678	5,456	427,598
FX position on-balance sheet	826,688	6,082	21,368	854,138
FX position off-balance sheet	(563,258)	-	1,609	(561,649)
FX position on and off-balance sheet	263,430	6,082	22,977	292,489

(*) Excluding provisions

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35. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

35.2. Market risk (continued)

35.2.3. Liquidity risk

Liquidity risk is the risk that the Bank may be unable to fulfill its payment obligations related to financial liabilities when they become due, particularly in the absence of alternative capital sources when customers withdraw funds. The consequences could include the Bank's inability to pay depositors or meet its lending commitments. The Bank manages liquidity risk through the following strategies:

- ▶ 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.

The maturity of assets and liabilities represents the remaining term of the assets and liabilities from the time of preparing the financial statements until the final payment as stipulated in the contract or issuance terms.

The following assumptions and conditions are applied in analyzing the maturity of the Bank's assets and liabilities:

- ▶ Balances with the SBV are classified as demand deposits, including compulsory deposits. The level of compulsory deposits depends on the composition and terms of the Bank's deposits from customers;
- ▶ The maturity term of trading securities and investment securities is based on their individual maturity dates. Government securities, although classified as long-term, are highly liquid and can be easily converted to cash. The maturity of equity securities in subsidiaries is determined by the business plan;
- ▶ The maturity term of deposits and loans to other CIs, as well as loans to customers, is based on contractual maturity dates. However, actual maturity dates may vary due to loan extensions or prepayments;
- ▶ Equity investments are generally considered to have a maturity of more than five (5) years due to their indefinite nature;
- ▶ The maturity terms of deposits and borrowings from other CIs, deposits from customers, borrowings from Government and the SBC and other assets are determined based on their specific characteristics or contractual terms. The maturity term of demand deposits is based on customer behavior analysis, while the maturity term of term deposits and loans is based on contractual maturity dates;
- ▶ The maturity term of fixed assets is determined by their remaining useful life;
- ▶ The maturity term of issued securities is based on their individual maturity dates;
- ▶ The maturity term of other liabilities is classified based on their actual individual maturity dates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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35. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

35.2. Market risk (continued)

35.2.3. Liquidity risk (continued)

Summary of assets and liabilities of the Bank by term from the period ended 31 March 2025 to the maturity date is as follows:

Unit: VND million

	Overdue		Undue					Total
	Up to 3 months	Over 3 months	Up to 1 month	From 1-3 months	From 3-12 months	From 1-5 years	Over 5 years	
Assets								
Cash and gold	-	-	382,383	-	-	-	-	382,383
Balances with the SBV	-	-	3,013,644	-	-	-	-	3,013,644
Deposits and loans to other CIs (*)	-	-	17,616,561	300,000	-	-	-	17,916,561
Derivatives and other financial assets	-	-	10,742	(3,120)	(6,790)	-	-	832
Loans to customers (*)	296,581	7,734,177	1,540,426	5,628,929	19,840,734	27,127,729	15,872,789	78,041,365
Investment securities (*)	-	31,554	-	90,655	3,793,049	14,458,298	3,243,506	21,617,062
Capital contributions, long-term investments (*)	-	-	-	-	-	-	719,600	719,600
Fixed assets	-	-	-	-	-	-	857,030	857,030
Other assets (*)	-	-	370,455	146,158	2,109,731	2,070,312	7,043,663	11,740,319
Total assets	296,581	7,765,731	22,934,211	6,162,622	25,736,724	43,656,339	27,736,588	134,288,796
Liabilities								
Deposits and borrowings from the SBV and other CIs	-	-	15,596,894	-	200,000	-	-	15,796,894
Deposits from customers	-	-	19,398,725	13,112,054	33,146,731	36,870,407	-	102,527,917
Borrowed and entrusted funds	-	-	-	9,457	428	143	-	10,028
Valuable papers issued	-	-	-	-	470,872	2,290,195	1,999,326	4,760,393
Other liabilities	-	-	696,335	357,671	469,535	20,528	-	1,544,069
Total liabilities	-	-	35,691,954	13,479,182	34,287,566	39,181,273	1,999,326	124,639,301
Net liquidity gap	296,581	7,765,731	(12,757,743)	(7,316,560)	(8,550,842)	4,475,066	25,737,262	9,649,495

(*) Excluding provisions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
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35. RISK MANAGEMENT POLICIES FOR FINANCIAL INSTRUMENTS (continued)

35.2. Market risk (continued)

35.2.4. Other market risks

Aside from the assets and liabilities detailed previously, the Bank does not hold any other assets or liabilities exposed to market price risks that could result in a loss exceeding 5% of net income or 5% of the total value of the asset or liability relative to total assets.

36. SUBSEQUENT EVENTS

As of the date of approval of these consolidated financial statements, there have been no significant events occurring after 31 March 2025, that could have a material impact on the Bank's financial position and require adjustments or disclosures in these consolidated financial statements for the period from 01 January 2025 to 31 March 2025.

37. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VND

	31/3/2025 VND	31/12/2024 VND
AUD	16,088	15,863
CAD	17,878	17,759
CHF	29,084	28,225
EUR	27,708	26,538
GBP	33,173	32,460
JPY	172	163
KRW	17	17
SGD	19,068	18,758
THB	756	746
USD	25,530	25,416

Hanoi, 25 April 2025

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