

# **Nam A Commercial Joint Stock Bank**

Separate financial statements

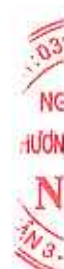
For the year ended 31 December 2023



# Nam A Commercial Joint Stock Bank

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# Nam A Commercial Joint Stock Bank

## GENERAL INFORMATION

### THE BANK

Nam A Commercial Joint Stock Bank ("the Bank") is a commercial joint stock bank incorporated in the Socialist Republic of Vietnam.

The Bank was incorporated under Banking Operation License No. 0026/NH-GP on 22 August 1992, issued by the State Bank of Vietnam ("SBV"), Establishment License No. 463/GP-UB issued by the People's Committee of Ho Chi Minh City on 1 September 1992, and Business Registration Certificate No. 0300873215 issued on 1 September 1992, amended 45 times on 3 August 2023 issued by the Department of Planning and Investment of Ho Chi Minh City. The valid of operation period of the Bank is 99 years.

The Bank's principal activities include providing banking services such as mobilizing short, medium, and long-term funds in the form of term deposits, demand deposits, certificates of deposit; receiving entrusted investment and development funds, borrowings from other financial institutions; granting short, medium and long-term loans; discounting of commercial notes, bonds and valuable papers; contributing capital and investing in joint-ventures, providing settlement services to customers, trading foreign currencies, gold, international payment, mobilizing overseas funds and other banking services to overseas counterparties as allowed by the SBV; conducting debt factoring activities; supplying cash management services, banking and financial consultancy; preserving assets, leasing cabinets and safes; buying and selling Government bonds and corporate bonds; giving and receiving entrustment loans; insurance agency; credit granting under bank guarantee; debt purchasing activities; trading and providing foreign exchange services on domestic and international market within the scope as prescribed by the SBV; trading gold; leasing a part of unused office owned by the Bank.

The bank's Head Office is located at 201-203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City. As at 31 December 2023, the Bank had one (1) representative office, one (1) Business Center, one hundred and thirty nine (139) branches and transaction offices located in cities and provinces throughout Vietnam.

### THE BOARD OF DIRECTORS

The members of the Board of Directors of the Bank during the year and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Tran Ngo Phuc Vu	Chairman	Appointment on 9 December 2022
Mr. Tran Ngoc Tam	Vice Chairman	Appointment on 9 December 2022
Ms. Vo Thi Tuyet Nga	Vice Chairman	Appointment on 9 December 2022
Mr. Nguyen Duc Minh Tri	Member	Appointment on 9 December 2022
Ms. Nguyen Thi Thanh Dao	Member	Appointment on 9 December 2022
Ms. Le Thi Kim Anh	Independent Member	Appointment on 9 December 2022

### THE BOARD OF SUPERVISION

The members of the Board of Supervision of the Bank during the year and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Date of appointment</i>
Mr. Nguyen Vinh Loi	Chief Supervisor	Appointment on 9 December 2022
Ms. Nguyen Thuy Van	Member	Appointment on 9 December 2022
Ms. Do Thi Hong Tram	Member	Appointment on 9 December 2022

# Nam A Commercial Joint Stock Bank

## GENERAL INFORMATION (continued)

### THE BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT

The members of the Board of Management and Chief Accountant of the Bank during the year and as at the date of this report are as follows:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/reappointment</i>
Mr. Tran Ngoc Tam	Chief Executive Officer	Reappointment on 13 July 2023
Mr. Tran Khai Hoan	Standing Deputy Chief Executive Officer	Appointment on 1 November 2019
Mr. Hoang Viet Cuong	Deputy Chief Executive Officer	Reappointment on 1 November 2022
Mr. Ha Huy Cuong	Deputy Chief Executive Officer	Reappointment on 25 February 2022
Mr. Le Anh Tu	Deputy Chief Executive Officer	Reappointment on 6 October 2021
Mr. Nguyen Vinh Tuyen	Deputy Chief Executive Officer	Reappointment on 11 May 2022
Mr. Vo Hoang Hai	Deputy Chief Executive Officer	Reappointment on 8 December 2023
Ms. Ho Nguyen Thuy Vy	Deputy Chief Executive Officer	Reappointment on 2 February 2024
Ms. Nguyen Thi My Lan	Chief Financial Officer cum Chief Accountant	Reappointment on 8 December 2023

### LEGAL REPRESENTATIVE

The legal representative of the Bank as of the date of this report is Mr. Tran Ngo Phuc Vu, Chairman.

Mr. Tran Ngoc Tam - Chief Executives Officer was authorized by Mr. Tran Ngo Phuc Vu - Chairman of the Board of Directors to sign the accompanying separate financial statements for the year ended 31 December 2023 in accordance with the Power of Attorney No. 01A/2023/QDQT-NHNA dated 3 January 2023.

### AUDITOR

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



# Nam A Commercial Joint Stock Bank

## REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Nam A Commercial Joint Stock Bank ("the Bank") is pleased to present this report and the separate financial statements of the Bank for the year ended 31 December 2023.

### THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Management of the Bank is responsible for the separate financial statements of each financial year, which provide a true and fair view of the separate financial position of the Bank, and the separate income statement and separate cash flows for the year. In preparing these separate financial statements, the Board of Management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable account standards have been followed by the Bank, subject to any material departures disclosed and explained in the separate financial statements; and
- ▶ prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue its business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Bank and for ensuring that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Bank and, hence, for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board of Management confirmed that it has complied with the above requirements in preparing the accompanying separate financial statements.

### STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management of the Bank hereby states that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Bank as at 31 December 2023, the separate income statement and its separate cash flows for the year then ended, which are in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

The Bank has also prepared the consolidated financial statements for the year ended 31 December 2023. Users of the separate financial statements should read them together with the consolidated financial statements to obtain complete information on the consolidated financial position, consolidated income statement, and consolidated cash flows of the Bank and its subsidiary.

On behalf of the Board of Management   
  
Mr. Trần Ngọc Tam  
Chief Executive Officer

Ho Chi Minh City, Vietnam

1 March 2024

Reference: 60758135/66984032-R

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of  
Nam A Commercial Joint Stock Bank**

We have audited the accompanying separate financial statements of Nam A Commercial Joint Stock Bank ("the Bank"), as prepared on 1 March 2024, and set out on pages 6 to 77, which comprise the separate statement of financial position as at 31 December 2023, the separate income statement, the separate cash flows statement for the year then ended, and the accompanying notes.

### *The Board of Management's responsibility*

The Board of Management of the Bank is responsible for the preparation and fair presentation of the separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of separate financial statements, and for such internal control that the Board of Management deemed necessary to enable the preparation and presentation of separate financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

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

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

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



### **Opinion**

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Bank as at 31 December 2023, and of the separate income statement and its separate cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, and other statutory requirements relevant to the preparation and presentation of the separate financial statements.

### **Ernst & Young Vietnam Limited**



  
\_\_\_\_\_  
Nguyen Phuong Nga  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 0763-2024-004-1



\_\_\_\_\_  
Nguyen Van Trung  
Auditor  
Audit Practicing Registration Certificate  
No. 3847-2021-004-1

Ho Chi Minh City, Vietnam

1 March 2024

# Nam A Commercial Joint Stock Bank

SEPARATE STATEMENT OF FINANCIAL POSITION  
as at 31 December 2023

B02/TCTD

	Notes	Ending balance VND million	Beginning balance VND million
<b>ASSETS</b>			
<b>Cash and gold</b>	<b>4</b>	<b>1,132,969</b>	<b>1,062,738</b>
<b>Balances with the State Bank of Vietnam</b>	<b>5</b>	<b>16,268,047</b>	<b>1,975,334</b>
<b>Due from and loans to other credit institutions</b>		<b>22,591,302</b>	<b>23,905,527</b>
Due from other credit institutions	6.1	20,801,417	23,220,381
Loans to other credit institutions	6.2	1,789,885	685,146
<b>Derivatives and other financial assets</b>	<b>7</b>	<b>39,455</b>	<b>104,949</b>
<b>Loans to customers</b>		<b>139,894,641</b>	<b>118,294,112</b>
Loans to customers	8	141,438,441	119,538,340
Provision for loans to customers	9.1	(1,543,800)	(1,244,228)
<b>Investment securities</b>		<b>24,068,777</b>	<b>25,658,747</b>
Available-for-sale securities	10.1	13,110,808	13,492,370
Held-to-maturity securities		10,976,814	12,853,817
Provision for investment securities	10.5	(18,845)	(687,440)
<b>Long-term investments</b>		<b>574,800</b>	<b>174,800</b>
Investments in subsidiary	11.1	500,000	100,000
Other long-term investments	11.2	74,800	74,800
<b>Fixed assets</b>		<b>1,586,393</b>	<b>1,041,788</b>
<i>Tangible fixed assets</i>	<i>12.1</i>	<i>901,069</i>	<i>518,209</i>
Cost		1,553,198	1,104,979
Accumulated depreciation		(652,129)	(586,770)
<i>Financial lease fixed assets</i>	<i>12.2</i>	<i>103,732</i>	<i>99,955</i>
Cost		158,092	133,752
Accumulated depreciation		(54,360)	(33,797)
<i>Intangible fixed assets</i>	<i>12.3</i>	<i>581,592</i>	<i>423,624</i>
Cost		744,439	575,554
Accumulated amortization		(162,847)	(151,930)
<b>Other assets</b>		<b>3,889,971</b>	<b>5,411,511</b>
Receivables	13.1	1,165,744	2,260,176
Interest and fees receivables	13.2	2,076,285	2,727,847
Other assets	13.3	680,965	450,111
Provision for other assets	13.4	(33,023)	(26,623)
<b>TOTAL ASSETS</b>		<b>210,046,355</b>	<b>177,629,506</b>



# Nam A Commercial Joint Stock Bank

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

B02/TCTD

	<i>Notes</i>	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
<b>LIABILITIES</b>			
<b>Borrowings from the Government and the State Bank of Vietnam</b>	<b>14</b>	<b>345</b>	<b>612</b>
Borrowings from the Government and the State Bank of Vietnam		345	612
<b>Due to and borrowings from other credit institutions</b>		<b>24,021,362</b>	<b>21,343,599</b>
Due to other credit institutions	15.1	22,816,967	20,279,048
Borrowings from other credit institutions	15.2	1,204,395	1,064,551
<b>Due to customers</b>	<b>16</b>	<b>145,611,035</b>	<b>125,075,632</b>
<b>Grants, entrusted funds and loans exposed to risks</b>	<b>17</b>	<b>1,066,465</b>	<b>951,230</b>
<b>Valuable papers issued</b>	<b>18</b>	<b>18,458,868</b>	<b>12,383,663</b>
<b>Other liabilities</b>		<b>5,674,998</b>	<b>5,253,500</b>
Interest and fees payable	19.1	4,283,213	3,159,064
Other payables	19.2	1,391,785	2,094,436
<b>TOTAL LIABILITIES</b>		<b>194,833,073</b>	<b>165,008,236</b>
<b>OWNERS' EQUITY</b>			
<b>Capital</b>		<b>10,580,866</b>	<b>10,036,613</b>
Charter capital		10,580,416	8,464,347
Fund for capital expenditure		10	10
Share premium		415	1,572,231
Other		25	25
<b>Reserves</b>		<b>1,419,221</b>	<b>1,022,904</b>
<b>Retained earnings</b>		<b>3,213,195</b>	<b>1,561,753</b>
<b>TOTAL OWNERS' EQUITY</b>	<b>21</b>	<b>15,213,282</b>	<b>12,621,270</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>210,046,355</b>	<b>177,629,506</b>

# Nam A Commercial Joint Stock Bank

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

B02/TCTD

## OFF-SEPARATE STATEMENT OF FINANCIAL POSITION ITEMS

	Notes	Ending balance VND million	Beginning balance VND million
Foreign exchange commitments	33	14,694,595	17,916,749
- Currency swap contracts		12,105,195	17,916,749
- Spot foreign exchange commitments - buy		2,420,000	
- Spot foreign exchange commitments - sell		169,400	
Letters of credit	33	6,114,363	7,953,409
Other guarantees	33	9,847,973	885,819
Interest and receivable fees not yet collected	34	2,019,149	1,264,852
Written-off debts	35	2,674,247	1,709,121
Assets and other documents	36	11,433,276	12,450,285
		<b>46,783,603</b>	<b>42,180,235</b>



Ms. Tran Phuong Thao  
Head of Accounting  
Department



Ms. Nguyen Thi My Lan  
Chief Financial Officer cum  
Chief Accountant



Mr. Tran Ngoc Tam  
Chief Executive Officer

Ho Chi Minh City, Vietnam

1 March 2024

# Nam A Commercial Joint Stock Bank

SEPARATE INCOME STATEMENT  
for the year ended 31 December 2023

B03/TCTD

	Notes	Current year VND million	Previous year VND million
Interest and similar income	22	19,338,340	12,966,350
Interest and similar expenses	23	(12,726,686)	(7,872,076)
<b>Net interest and similar income</b>		<b>6,611,654</b>	<b>5,094,274</b>
Fee and commission income		1,141,487	402,724
Fee and commission expenses		(547,045)	(127,905)
<b>Net fee and commission income</b>	24	<b>594,442</b>	<b>274,819</b>
<b>Net gain from trading of foreign currencies</b>	25	<b>14,607</b>	<b>57,046</b>
<b>Net gain from investment securities</b>	26	<b>59,287</b>	<b>119,367</b>
Other operating income		499,519	319,679
Other operating expenses		(166,580)	(17,411)
<b>Net gain from other operating activities</b>	27	<b>332,939</b>	<b>302,268</b>
<b>Income from investments in other entities</b>	28	<b>5,352</b>	<b>106,470</b>
<b>TOTAL OPERATING INCOME</b>		<b>7,618,281</b>	<b>5,954,244</b>
<b>TOTAL OPERATING EXPENSES</b>	29	<b>(3,467,920)</b>	<b>(2,824,467)</b>
<b>Net profit before provision for credit losses</b>		<b>4,150,361</b>	<b>3,129,777</b>
Provision expense for credit losses	9	(847,804)	(863,393)
<b>PROFIT BEFORE TAX</b>		<b>3,302,557</b>	<b>2,266,384</b>
Current corporate income tax expense	20.1	(680,938)	(458,508)
<b>Corporate income tax expenses</b>		<b>(680,938)</b>	<b>(458,508)</b>
<b>PROFIT AFTER TAX</b>		<b>2,621,619</b>	<b>1,807,876</b>



Ms. Tran Phuong Thao  
Head of Accounting  
Department



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Chief Financial Officer cum  
Chief Accountant



Mr. Tran Ngoc Tam  
Chief Executive Officer

Ho Chi Minh City, Vietnam

1 March 2024



# Nam A Commercial Joint Stock Bank

## SEPARATE CASH FLOWS STATEMENT for the year ended 31 December 2023

B04/TCTD

	Notes	Current year VND million	Previous year VND million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest and similar receipts		19,982,045	13,060,358
Interest and similar payments		(11,575,206)	(7,118,671)
Net fee and commission receipts		542,276	272,749
Net receipts from trading of securities, gold and foreign currencies		45,593	183,324
Other income		(165,113)	(9,607)
Recoveries from bad debts written-off previously	27	496,895	310,599
Payments to employees and other operating expenses		(3,501,799)	(2,868,130)
Corporate income tax paid during the year	20	(500,297)	(448,665)
<b>Net cash flows from operating profit before changes in operating assets and liabilities</b>		<b>5,324,394</b>	<b>3,381,957</b>
<b>Changes in operating assets</b>			
Increase in due from and loans to other credit institutions		(1,104,739)	(455,261)
Decrease/(increase) in investment securities		352,279	(2,670,605)
Decrease/(increase) in derivatives and other financial assets		65,494	(104,949)
Increase in loans to customers		(20,238,361)	(17,252,101)
Utilization of provision to write-off loans to customers, securities and long-term investments		(1,023,708)	(539,551)
Decrease/(increase) in other assets		1,034,925	(1,032,060)
<b>Changes in operating liabilities</b>			
Decrease in borrowings from the Government and the State Bank of Vietnam		(267)	(384)
Increase in due to and borrowings from other credit institutions		2,677,578	5,694,501
Increase in due to customers		20,535,403	9,673,566
Increase in valuable papers issued		6,075,205	2,023,560
Increase in grants, entrusted funds and loans exposed to risks		115,235	486,607
Decrease in derivatives and other financial liabilities		-	(3,112)
(Decrease)/increase in other liabilities		(894,662)	1,036,830
<b>Net cash from operating activities</b>		<b>12,918,776</b>	<b>238,998</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(581,113)	(632,796)
Proceeds from disposal of fixed assets		1,191	1,288
Proceeds from investments in other entities		-	140,800
Payments from investments in other entities		(400,000)	-
Dividends received from long-term investments		5,352	6,150
<b>Net cash used in investing activities</b>		<b>(974,570)</b>	<b>(484,558)</b>

# Nam A Commercial Joint Stock Bank

SEPARATE CASH FLOWS STATEMENT (continued)  
for the year ended 31 December 2023

B04/TCTD

	Notes	Current year VND million	Previous year VND million
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in charter capital from capital contribution and/or share issuance		-	2,830,960
Dividends distributed to shareholders		(226)	(222)
<b>Net cash (used in)/from financing activities</b>		<b>(226)</b>	<b>2,830,738</b>
<b>Net change of cash for the year</b>		<b>11,943,980</b>	<b>2,585,178</b>
<b>Cash and cash equivalents at the beginning of the year</b>	30	<b>26,258,453</b>	<b>23,673,275</b>
<b>Cash and cash equivalents at the end of the year</b>	30	<b>38,202,433</b>	<b>26,258,453</b>



Ms. Tran Phuong Thao  
Head of Accounting  
Department



Ms. Nguyen Thi My Lan  
Chief Financial Officer cum  
Chief Accountant



Mr. Tran Ngoc Tam  
Chief Executive Officer

Ho Chi Minh City, Vietnam

1 March 2024



# Nam A Commercial Joint Stock Bank

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

B05/TCTD

## 1. THE BANK

Nam A Commercial Joint Stock Bank ("the Bank") is a joint stock commercial bank incorporated in the Socialist Republic of Vietnam.

### *Establishment and Operations*

The Bank was incorporated under Banking Operation License No. 0026/NH-GP on 22 August 1992 issued by the State Bank of Vietnam ("SBV"), Establishment License No. 463/GP-UB issued by the People's Committee of Ho Chi Minh City on 1 September 1992, and Business Registration Certificate No. 0300873215 on 1 September 1992, amended 45 times on 3 August 2023 issued by the Department of Planning and Investment of Ho Chi Minh City. The valid of operation period of the Bank is 99 years.

The Bank's principal activities include providing banking services such as mobilizing short, medium and long-term funds in the form of term deposits, demand deposits, certificates of deposit; receiving entrusted investment and development funds, borrowings from other financial institutions; granting short, medium and long-term loans; discounting of commercial notes, bonds and valuable papers; contributing capital and investing in joint-ventures, providing settlement services to customers, trading foreign currencies, gold, international payment, mobilizing overseas funds and other banking services to overseas counterparties as allowed by the SBV; conducting debt factoring activities; supplying cash management services, banking and financial consultancy; preserving assets, leasing cabinets and safes; buying and selling Government bonds and corporate bonds; giving and receiving entrustment loans; insurance agency; credit granting under bank guarantee; debt purchasing activities; trading and providing foreign exchange services on domestic and international market within the scope as prescribed by the SBV; trading gold; leasing a part of unused office owned by the Bank.

### *Charter capital*

The charter capital of the Bank as at 31 December 2023 is VND10,580,416,150,000 (as at 31 December 2022: VND8,464,346,610,000).

### *Operation network*

The Bank's Head Office is located at 201-203 Cach Mang Thang Tam Street, Ward 4, District 3, Ho Chi Minh City. As at 31 December 2023, the Bank had one (1) representative office, one (1) Business Center, one hundred and thirty nine (139) branches and transaction offices located in cities and provinces throughout Vietnam.

### *Subsidiary*

As at 31 December 2023, the Bank has one (1) subsidiary:

<i>Subsidiary</i>	<i>Operating License No.</i>	<i>Nature of business</i>	<i>Ownership of the Bank</i>
Nam A Bank Asset Management Company Limited	0304691951 issued by the Department of Planning and Investment of Ho Chi Minh City, amended for nineteenth (19) time on 16 January 2023	Debt management and asset mining	100%

### *Employees*

The Bank's total number of employees as at 31 December 2023 was 5,311 persons (as at 31 December 2022: 4,601 persons).



## 2. BASIS OF PREPARATION

### 2.1 *Statement of compliance*

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

### 2.2 *Purpose of preparing the separate financial statements*

The Bank has subsidiary, as disclosed in *Note 1* and *Note 11.1*. The Bank has prepared separate financial statements to comply with the prevailing requirements related to information disclosure, specifically Circular 27/2021/TT-NHNN issued by SBV on 31 December 2021, Circular 49/2014/TT-NHNN issued by SBV on 31 December 2014, Decision No. 16/2007/QD-NHNN issued by SBV on 18 April 2007, and Circular No. 96/2020/TT-BTC on the disclosure of information in the securities market. Additionally, as per these regulations, the Bank has also prepared consolidated financial statements for the year ended 31 December 2023, referred to as the "consolidate financial statements".

Users of the separate financial statements should read them together with the consolidated financial statements to obtain full information on the consolidated financial position, consolidated income statement, and consolidated cash flows of the Bank.

### 2.3 *Accounting standards and system*

The separate financial statements of the Bank have been prepared in accordance with the Accounting System applicable to Credit Institutions, as required under Decision No. 479/2004/QD-NHNN issued on 29 April 2004, Circular 10/2014/TT-NHNN dated 20 March 2014, and Circular 22/2017/TT-NHNN dated 29 December 2017, which amend and supplement Decision No. 479/2004/QD-NHNN; Decision No. 16/2007/QD-NHNN dated 18 April 2007, Circular 27/2021/TT-NHNN issued by State Bank of Vietnam on 31 December 2021, Circular 49/2014/TT-NHNN, which amends and supplements several articles of Decision No. 16/2007/QD-NHNN, Vietnamese Accounting Standard No. 27 – Financial Reporting and other Vietnamese Accounting Standard issued by the Ministry of Finance as per:

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

Accordingly, the accompanying separate financial statements and their utilization are not designed for individuals who are not familiar with Vietnam's accounting principles, procedures, and practices, and furthermore, are not intended to present the separate financial position, separate income statement and separate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

**2. BASIS OF PREPARATION (continued)**

**2.3 Accounting standards and system (continued)**

Any items or balances required by Decision No. 16/2007/QĐ-NHNN dated 18 April 2007, Circular 49/2014/TT-NHNN dated 31 December 2014, and Circular 27/2021/TT-NHNN dated 31 December 2021, which stipulate the reporting mechanism for separate financial statements of credit institutions, that are not shown in these separate financial statements, indicate nil balance.

**2.4 Fiscal year**

The fiscal year of the Bank, applicable for the preparation of its separate financial statements, begins on 1 January and ends on 31 December.

**2.5 Accounting currency**

The separate financial statements are prepared in Vietnam dong ("VND"). For the presentation of the separate financial statements as at 31 December 2023, the data is rounded to millions and expressed in millions of Vietnam dong ("VND million"). This presentation does not affect the view of users of the separate financial statements regarding the separate financial position, separate income statement, and separate cash flows.

**2.6 Assumptions and uses of estimates**

The preparation of the separate financial statements requires the Board of Management of the Bank to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities. These estimates and assumptions also impact the income, expenses, and the resultant provisions. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may differ, leading to future changes in such provision.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Changes in accounting policies and disclosures**

The accounting policies adopted by the Bank in the preparation of the separate financial statements are consistent with those followed in the preparation of the Bank's separate financial statements for the year ended 31 December 2022, except for the following change in accounting policy:

*Circular 02/2023/TT-NHNN ("Circular 02") was issued by the SBV on 23 April 2023 to provide instructions for credit institutions and foreign branch banks on loan restructuring and the retention of loan classification to support borrowers facing financial difficulties.*

The main changes introduced by Circular 02 are as follows:

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

This Circular takes effect from 24 April 2023.



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.2 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and gold, current accounts at the SBV, amounts due from other credit institutions on demand or with an original maturity of less than three months from the transaction date, and investments securities with a maturity of less than three months from the purchase date, which are readily convertible into cash and do not bear liquidity risk at the reporting date.

**3.3 Due from and loans to other credit institutions**

Due from and loans to other credit institutions are presented at the principal amounts outstanding at the end of the accounting year.

The credit risk classification of due from and credit granting to other credit institutions, as well as the provision for credit risks, is provided in accordance with Circular 11.

Accordingly, the Bank makes specific provisions for due from (except for current accounts) and loans to other credit institutions, following the method described in Note 3.5.

According to Circular 11, the Bank is not required to make a general provision for due from and loans to other credit institutions.

**3.4 Loans to customers**

Loans to customers are disclosed and presented at the principal amounts outstanding at the end of the year.

The provision for credit losses of loans to customers is presented separately as one (1) line in the separate statement of financial position.

Short-term loans have a maximum term of 1 (one) year from the disbursement date. Medium-term loans have a term ranging from above 1 (one) year to a maximum of 5 (five) years. Long-term loans are loans with a term of over 5 years from the disbursement date.

Loan classification and provision for credit losses are made according to Circular 11 as described in Note 3.5.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 ***Loan classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets***

3.5.1 ***Loan classification and provision for credit losses***

The classification of due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bond, loans to customers, and entrustments for credit granting, as well as other credit risk bearing assets (collectively referred to as "debts"), is recognized based on the quantitative method prescribed in Article 10 of Circular 11. Accordingly, loans to customers are classified into the following levels of risk: Current, Special mention, Substandard, Doubtful, and Loss, based on their overdue status. Debts classified as Substandard, Doubtful and Loss are considered bad debt.

A general provision as at 31 December 2023 is made at 0.75% of the total outstanding loans as at 31 December 2023 excluding due from and loans to other credit institutions and loans classified as loss.

Specific provision as at 31 December 2023 is calculated using the principal balance minus the discounted value of collaterals, multiplied by provision rates determined based on the debt classification results as at 31 December 2023. The basis for determining the value and discounted value for each type of collateral is specified in Circular 11.

The debt classification and specific provision rate for each loan group are as follows:

Loan group		Description	Specific provision rate
1	Current	(a) Current debts are assessed as fully and timely recoverable for both principals and interests; or (b) Debts are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	0%
2	Special Mention	(a) Debts are overdue for a period of between 10 days and 90 days; or (b) Debts which the repayment terms are restructured for the first time.	5%

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.5 *Loan classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets* (continued)

#### 3.5.1 *Loan classification and provision for credit losses* (continued)

Loan group		Description	Specific provision rate
3	Sub-standard	<p>(a) Debts are overdue for a period of between 91 days and 180 days; or</p> <p>(b) Debts which the repayment terms are extended for the first time; or</p> <p>(c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under credit contracts; or</p> <p>(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:</p> <ul style="list-style-type: none"> <li>▪ Debts made in compliance with Clause 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or</li> <li>▪ Debts made in compliance with Clause 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or</li> <li>▪ Debts made in compliance with Clauses 1, 2 and 5 under Article 128 of Law on Credit Institutions.</li> </ul> <p>(e) Debts are required to be recovered according to regulatory inspection conclusions.</p> <p>(f) Debts are required to be recovered according to credit institutions' and foreign bank branches' decisions on early payment due to customers' breach of agreements but have not yet been recovered within 30 days from the issuance date of the decisions; or</p> <p>(g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.</p>	20%
4	Doubtful	<p>(a) Debts are overdue for a period of between 181 days and 360 days; or</p> <p>(b) Debts which the repayment terms are restructured for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or</p> <p>(c) Debts which the repayment terms are restructured for the second time; or</p> <p>(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</p> <p>(e) Debts are required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection conclusions.</p> <p>(f) Debts are required to be recovered according to credit institutions, foreign bank branches' decisions on early payment due to customers' breach of agreements but have not yet been recovered for a period between 30 days to 60 days from the issuance date of the decision; or</p> <p>(g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.</p>	50%



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.5 Loan classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets (continued)**

**3.5.1 Loan classification and provision for credit losses (continued)**

Loan group	Description	Specific provision rate
5 Loss	<ul style="list-style-type: none"> <li>(a) Debts are overdue for a period of more than 360 days; or</li> <li>(b) Debts of which 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</li> <li>(c) Debts of which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or</li> <li>(d) Debts of which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or</li> <li>(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</li> <li>(f) Debts are required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or</li> <li>(g) Debts are required to be recovered according to credit institutions, foreign bank branches' decisions on early payment due to customers' breach of agreements but have not yet been recovered for a period of more than 60 days from the issuance date of the decision; or</li> <li>(h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are blocked; or</li> <li>(i) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.</li> </ul>	100%

If a customer has more than one debt with the Bank and any of the outstanding debts is classified into a higher risk group, the entire remaining debts of such customer should be classified into the corresponding higher risk group.

If a customer is classified into a debt group with lower risk than the debt group in CIC list, the Bank must adjust the debt classification results according to the CIC list.

When the Bank participate in a syndicated loan as a participant, they should classify loans (including syndicated loans) of the customer into the group of higher risk between the assessment of the leading bank and the Bank.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Loan classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets (continued)*

3.5.2 *Loan restructuring and loan classification retention support borrowers facing financial difficulties*

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 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01"), Circular 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03"), and Circular 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") issued by the State Bank of Vietnam, which provide regulations on loan restructuring, interest and/or fees exemption or reduction and loan classification retention to assist customers affected by the COVID-19 pandemic.

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

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

<i>Disbursement date</i>	<i>Overdue status</i>	<i>Overdue date</i>	<i>Principle of loan classification retention</i>
Before 1/8/2021	Current or overdue for a period of 10 days	From 30/3/2020 to 30/6/2022	Retain the latest loan classification as before 23 January 2020 or as before the first-time restructuring date
Before 23/1/2020	Overdue	From 23/1/2020 to 29/3/2020	Retain the latest loan classification as before 23 January 2020
From 23/1/2020 to 10/6/2020		From 23/1/2020 to 17/5/2021	Retain the latest loan classification as before overdue transferring date
From 10/6/2020 to 1/8/2021		From 17/7/2021 to 7/9/2021	
Before 24/4/2023	Current or overdue for a period of 10 days	From 24/4/2023 to 30/6/2024	Retain the latest loan classification as before the restructuring date

For loans, whose repayment term was restructured, interest and/or fees were exempted or reduced, and loan classification was retained, if they become overdue under the restructured repayment term and are not eligible for further restructuring under current regulations, the Bank makes loan classification and provisions in accordance with Circular 11.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.5 Loan classification and provision for credit losses applied to due from and loans to other credit institutions, direct and entrusted investments in unlisted corporate bonds, loans to customers, entrustments for credit granting and other credit risk bearing assets (continued)**

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

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

In which:

- C: Additional specific provision;
- A: Specific provision to be made for all outstanding loan balances of customers according to the results of loan classification under Circular 11 (Note 3.5.1);
- B: Total specific provision to be made for the outstanding balance of loans applying loan classification under the policy of loan classification retention (Note 3.5.2) and specific provision to be made for the remaining loan balances of the customers according to the results of loan classification under Circular 11 (Note 3.5.1).

The additional specific provision (referred to as C) is made by the Bank when preparing financial statements, ensuring the provisioning at as follows:

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

**Write-off bad debts**

Provisions are recognized as an expense in the separate income statement and are utilized to address bad debts. According to Circular 11, the Bank establishes a risk settlement committee to handle bad debts if they are classified in group 5 or if the borrower is an organization that is dissolved or bankrupt, or an individual who is deceased or missing.



## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.6 Loans sold to Vietnam Asset Management Company ("VAMC")

The Bank sell loans to VAMC at the carrying amount in accordance with Decree No. 53/2013/ND-CP, effective from 9 July 2013 on the "Establishment, structure and operations of Vietnam Asset Management Company", Circular 19/2013/TT-NHNN on "Regulations on purchasing, selling, and writing-off bad debts of Vietnam Asset Management Company", circulars that amend and supplement Circular 19/2013/TT-NHNN, and Official Letter No. 8499/NHNN-TCKT on "Accounting guidance on selling and purchasing of bad debts between VAMC and credit institutions". Accordingly, the selling price equals to the outstanding loan balance minus (-) the unused balance of the specific provision. The Bank then receives the special bonds issued by VAMC.

Upon the sale of loans to VAMC, the Bank writes off loan balances and corresponding specific provisions and recognizes special bonds issued by VAMC at par value. When receiving loans previously sold to VAMC, the Bank utilizes annual specific provisions for special bonds to write off bad debts. The difference between the provision for credit losses and the remaining outstanding loan balance/bond value is recognized as "Other income" in the separate income statement.

### 3.7 Available-for-sale securities

#### 3.7.1 Classification and recognition

Available-for-sale securities include debt and equity securities that are acquired by the Bank for investment and available-for-sale purposes. These securities are not regularly traded but can be sold when there is a benefit. For equity securities, the Bank is also neither the founding shareholder nor the strategic partner, and it does not have the ability to exert significant influence in establishing and making the financial and operating policies of the investees through a written agreement on the assignment of personnel to the Board of Directors/Management.

Available-for-sale equity securities are initially recognized at cost on the purchase date and continuously presented at cost in subsequent periods.

Available-for-sale debt securities are recognized at par value on the purchase date. Accrued interest (for debt securities with interest payment in arrears) and deferred interest (for debt securities with interest payment in advance) are recognized in separate accounts. The discount/premium, which is the difference between the cost and the par value plus (+) accrued interest (if any) or minus (-) deferred interest (if any), is also recognized in a separate account.

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium (if any) is amortized to the separate income statement on a straight-line basis over the remaining term of securities. Interest received in arrears is recorded as follows: Cumulative interest incurred before the purchasing date is recorded as a decrease in the accrued interest, while cumulative interest incurred after the purchasing date is recognized as income based on the accumulated method. Interest received in advance is amortized into the securities investment interest income on a straight-line basis over the term of securities investment.

#### 3.7.2 Measurement

Periodically, available-for-sale securities will be considered for diminution in value.

The provision for diminution in value of available-for-sale securities is made when the book value of the securities is higher than their market value. The provision for diminution in value is recorded under "Net gain/loss from investment securities" in the separate income statement.

For corporate bonds that have not yet been listed on the securities market or have not been registered for trading on unlisted public companies, the Bank shall make provisions for those bonds in accordance with Circular 11, as presented in Note 3.5.



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.8 Held-to-maturity investment securities**

Held-to-maturity investment securities include special bonds issued by Vietnam Asset Management Company ("VAMC") and other investment securities held to maturity.

*Special bonds issued by VAMC*

Special bonds issued by VAMC are fixed-term valuable papers used to purchase bad debts of the Bank. These special bonds are initially recognized at face value at the date of the transaction and subsequently carried at face value during the holding period. The face value of the bonds equals the outstanding balance of the debts sold, less their unused specific allowance.

During the holding period, the Bank periodically calculate and make allowances in accordance with Circular 14/2015/TT-NHNN dated 28 August 2015, Circular 08/2016/TT-NHNN dated 16 June 2016, Circular 09/2017/TT-NHNN dated 14 August 2017, and Circular 32/2019/TT-NHNN amending and supplementing some articles of Circular 19/2013/TT-NHNN which stimulates the purchase, sale, and write-off of bad debts by VAMC.

As required by the circulars, each year, within five consecutive working days prior to the maturity date of special bonds, the Bank is obliged to fully make specific provisions for each special bond using the formula below:

$$X_{(m)} = \frac{Y}{n} \times m - (Z_m + X_{m-1})$$

In which:

- $X_{(m)}$  is minimum provision for special bonds in the  $m^{\text{th}}$  year;
- $X_{m-1}$  is accumulated specific provision for special bonds in the  $m-1^{\text{th}}$  year;
- $Y$  is face value of special bonds;
- $n$  is term of special bonds (years);
- $m$  is number of years from the bond issuance date to the provision date;
- $Z_m$  is accumulated bad debt recoveries at the provision date ( $m^{\text{th}}$  year). Credit institution co-operate with VAMC to confirm such debt recoveries.

If  $(Z_m + X_{m-1}) \geq (Y/n \times m)$ , the specific provision ( $X_{(m)}$ ) will be (0).

Specific provision for each special bond is recognized in the separate income statement in "Provision expense for credit loss". General provision is not required for the special bonds.

On settlement date of special bonds, interest occurred from debts collection shall be recognized into "Interest and similar income".

*Other held-to-maturity investment securities*

Held-to-maturity investment securities are debt securities purchased by the Bank for the purpose of earning interest and the Bank has the capability and intention to hold these investments until maturity. Held-to-maturity securities have a determined value and maturity date. In the event that the securities are sold before the maturity date, they will be reclassified as either securities held for trading or available-for-sale securities.

Held-to-maturity investment securities are recognized and measured similarly to available-for-sale securities, as described in Note 3.7.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.9 Other long-term investments

#### 3.11.1 Investments in subsidiary

Investments in subsidiary are carried at cost in the separate financial statements of the Bank. Dividends received from profit after tax of subsidiary is recognized as income of the separate income statement.

Provisions for diminution in value of investments in subsidiary are made for each impaired investment and are subject to revision at statement of financial position date. Provision for investments in subsidiary is made when the investments are impaired due to the losses incurred by subsidiary. Increase or decrease of provision balance is recognized in "Other operating income/expenses".

#### 3.9 Other long-term investments

Other long-term investments represent investments in entities in which the Bank holds less than or equal to 11% of voting rights. These investments are initially recorded at cost on the investment date.

Provision for diminution in the value of the investment is made when there is substantial evidence indicating a decline in the value of these investments at the separate statement of financial position date.

For securities which are not listed but are registered for trading on the unlisted public company market (UPCoM), provision for diminution in value is made when their average referenced price within the last 30 trading days prior to the preparation of the separate financial statements, as announced by the Stock Exchange, is lower than the carrying value of the securities at the end of accounting year.

In other cases, provision for diminution in the value of long-term investment is made if the invested economic organizations experience losses. The provision for diminution is calculated according to the following formula:

$$\begin{array}{rcccl} \text{Level of} & & \text{Actual rate of} & & \text{Parties' actual} & & \text{Actual equity} \\ \text{provision for} & = & \text{charter capital (\%)} & & \text{investment capital at} & & \text{capital of} \\ \text{investment} & & \text{of the Bank at an} & & \text{the business} & & \text{business} \\ & & \text{business} & \times & \text{organization receiving} & - & \text{organization at} \\ & & \text{organization at the} & & \text{capital contribution at} & & \text{the time of} \\ & & \text{time of making the} & & \text{the time of making the} & & \text{making the} \\ & & \text{provision} & & \text{provision} & & \text{provision} \end{array}$$

Provision is reversed when the recoverable amount of the investment increases after the provision is made. The provision is reversed up to the gross value of the investment before the provision is made.

An increase or decrease in the provision for long-term investments is recognized in "Other operating expenses" on the separate income statement.

#### 3.10 Fixed assets

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

The cost of a fixed asset includes any directly attributable costs of bringing the fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets, while other expenditures are charged to the separate income statement as incurred.

When fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the separate income statement.



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11 Lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalized in the separate statement of financial position at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the separate income statement over the lease term to achieve a constant rate of interest on the remaining balance of the finance lease liability.

Capitalized financial leased assets are depreciated using the straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the separate income statement in "Operating expenses" on a straight-line basis over the lease term.

Income from operating leases is recognized in the separate income statement in "Income from service activities" on a straight-line basis over the lease term.

#### 3.12 Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible fixed assets are calculated on a straight-line basis over the estimated useful life of the assets as follows:

Buildings and structures	5 - 30 years
Machinery and equipment	3 - 8 years
Vehicles	3 - 8 years
Office equipment	3 - 8 years
Other tangible fixed assets	3 - 10 years
Computer software	3 - 8 years
Land use rights	30 - 50 years

Infinite land use rights granted by the Government are not amortized. Definite term land use rights are amortized over the term of use.

#### 3.13 Other receivables

##### 3.14.1 Receivables classified as credit risk assets

Receivables classified as credit-risk assets are recognized at cost. Doubtful receivables are classified and provided for allowance by the Bank in accordance with the regulations on recognition and use of provision as presented in Note 3.5.



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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.13 Other receivables (continued)

#### 3.14.2 Other receivables

Receivables other than receivables from credit activities in the Bank's operations are recognized at historical cost and subsequently measured at cost during the holding periods.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts. This provision is made when the debts are not yet due for payment, but the corporate debtors have fallen into bankruptcy or are in the process of dissolution, or when individual debtors are missing, having escaped, are being prosecuted, on trial, or deceased. The provision expense incurred is recorded into "Other operating expenses" of the separate income statement for the year.

The provision for overdue debts is made in accordance with the guidance provided in Circular 48/2019/TT-BTC as amended by Circular 24/2022/TT-BTC, as follows:

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

### 3.14 Prepaid expenses

Prepaid expenses include short-term prepaids or long-term prepaids on the separate statement of financial position and are amortized over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

### 3.15 Borrowings from the Government and the State Bank of Vietnam, due to and borrowings from other credit institutions, due to customer, valuable papers issued and grants, entrusted funds and loans exposed to risks

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

### 3.16 Payables and accruals

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Bank.

### 3.17 Loan classification for off-statement of financial position commitments

Off-statement of financial position commitments include guarantees, payment acceptances, and loan commitments that are irrevocable, unconditional, and have a specific time of execution.

Classification for off-statement of financial position commitments is only used to monitor credit quality. Accordingly, commitments and contingent liabilities are classified for management credit quality monitoring purposes, as described in Note 3.5.

According to Circular 11, the Bank is not required to make provisions for off-statement of financial position commitments.

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.18 *Fiduciary assets*

Assets in entrusted assets management of the Bank are not recognized as the Bank's assets, hence, will not be included in the separate financial statements.

### 3.19 *Derivatives financial instruments*

The Bank involves in currency forward contracts and currency swap contracts to facilitate customers in transferring, modifying, or minimizing foreign exchange risk or other market risks, as well as for the trading purpose.

#### *Currency forward contracts*

The currency forward contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates, calculated on the notional amount. The currency forward contracts are recognized at the nominal value on the transaction date and are revalued for reporting purposes at the exchange rate on the reporting date. Realized or unrealized gains or losses are recognized under "Foreign exchange differences" in "Owners' equity" and will be transferred to the separate income statement at the end of the financial year. The premium or discount derived from the difference between the spot rate and the forward rate is recorded as assets if positive or a liability if negative on the separate statement of financial position at the contract date. The difference is amortized on a straight-line basis over the forward contract period and recognized in the separate income statement.

#### *Currency swap contracts*

The swap contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates calculated on the notional principal amount. The premium or discount resulting from the difference between the spot rate at the effective date of the contract and the forward rate is recognized immediately at the effective date of the contract as an asset if positive or a liability if negative on the separate statement of financial position. The difference is amortized on a straight-line basis over the life of the swap contract and recognized in the separate income statement.

### 3.20 *Capital*

#### 3.20.1 *Ordinary shares*

Ordinary shares are classified as equity.

#### 3.20.2 *Share premium*

The Bank records the difference between the par value and issue price of shares if the issue price is higher than par value, and the difference between the price of repurchasing of treasury stocks and the re-issue price of treasury stocks to the share premium account. The expense related to issuing shares will be recorded as a deductible share premium.



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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.20 Capital (continued)

#### 3.20.3 Funds and reserves

The Bank has established the following reserves in accordance with the Law on Credit Institutions No. 47/2010/QH12, Decree No. 93/2017/ND-CP, and the Bank's Charter as follows:

	% of profit after tax	Maximum rate
Capital supplementary reserve	5% of profit after tax	100% chartered capital
Financial reserve	10% of profit after tax	Not regulated

Other funds will be allocated from profit after tax. The allocation from profit after tax and the utilization of funds must be approved by the Annual General Meeting of Shareholder. These reserves are not regulated by statutory requirements and are allowed to be fully allocated.

### 3.21 Recognition of income and expenses

#### Interest income and interest expenses

Interest income and interest expenses are recognized in the separate income statement on an accrual basis. The recognition of accrued interest income arising from loans classified in Groups 2 to 5 in accordance with Circular 11, and loans with repayment term restructuring and loan classification retention according to regulations, will not be recognized in the separate income statement. Suspended interest income is reversed, monitored off-statement of financial position, and recognized in the separate income statement upon actual receipt.

#### Fees and commissions income

Fees and commissions are recognized when services are rendered.

#### Income from investment

Income from investments is recognized based on the difference between the selling price and average cost of the securities sold.

Cash dividends from investment are recognized in the separate income statement when the Bank's right to receive the payment is established. For stock dividends and bonus shares, the number of shares is updated, and no dividend income is recognized in the separate income statement.

#### Other income

Other income is recognized on cash basis.

According to Circular 16/2018/TT-BTC, issued by the Ministry of Finance on 7 February 2018, which provides guidance on financial regulations for credit institutions and branches of foreign banks, in the event that accounts receivable, previously recorded as income, are deemed uncollectible or are not received when due, the Bank and should recognize a reduction in revenue if it occurs within the same accounting period. If the reduction does not happen in the same accounting period, they should recognize such receivables as expenses and remove them from the statement of financial position to facilitate collection. Once the accounts receivable is eventually collected, the Bank and should record them as income in the separate income statement.



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.22 Corporate income tax**

*Current corporate income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from (or paid to) the taxation authorities. The tax rates and tax laws used to compute the amount are those that are effective as at the separate statement of financial position date.

Current income tax is charged or credited to the separate income statement, except when it relates to items recognized directly to equity, in which case the current income tax is also accounted for in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Bank to set off current tax assets against current tax liabilities and when the Bank intends to settle its current tax assets and liabilities on a net basis.

The tax returns of the Bank are subject to examination by the tax authorities. Due to the ambiguity associated with the applicability of tax laws and regulations, the amounts reported in the separate financial statements could be changed at a later date upon final determination by the tax authorities.

**3.23 Foreign currency transactions**

In accordance with the accounting system of the Bank, all transactions are recorded in their original currencies. Monetary assets and liabilities denominated in foreign currencies are converted into VND using exchange rates that are in effect at the separate statement of financial position (Note 46). Income and expenses arising in foreign currencies during the year are converted into VND at the rates that are in effect on the transaction dates. Foreign exchange differences resulting from the conversion of monetary assets and liabilities from foreign currency to VND during the year are recognized and tracked under "Foreign exchange differences" within "Owners' Equity" on the separate statement of financial position. These differences will be transferred to the separate income statement at the end of the financial year.

**3.24 Offsetting**

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

**3.25 Employee benefits**

**3.25.1 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 premiums to the Social Insurance Agency at a rate of 17.50% of an employee's basic salary monthly (from 1 July 2022 to 30 June 2023, this rate is 17.00%). Additionally, the Bank has no further obligations for post-employee benefits.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.25.2 Voluntary resignation benefits

Under Article 46 of Labor Code No. 45/2019/QH14, effective from 1 January 2021, the Bank has the obligation to pay an allowance arising from the voluntary resignation of employees. This allowance is equal to one-half month's salary for each year of employment up to 31 December 2008, plus salary allowances (if any). Starting from 1 January 2009, the average monthly salary used in this calculation is based on the average monthly salary of the latest six-month period up to the resignation date.

### 3.25.3 Unemployment insurance

According to Circular 28/2015/TT-BLĐTBXH, which provides guidelines for Article 52 of the Law on Employment, and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government, which provides guidelines for the Law on Employment in terms of unemployment insurance, the Bank is obliged to pay unemployment insurance at a rate of 1.00% of its salary fund used for unemployment insurance purposes and required to deduct 1.00% of each employee's salary to pay simultaneously to the Unemployment Insurance Fund.

### 3.26 Segment reporting

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

### 3.27 Related parties

Parties are considered related parties of the Bank if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Additionally, related parties include situations where the Bank, along with another party, are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

## 4. CASH AND GOLD

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Cash on hand in VND	1,001,030	949,151
Cash on hand in foreign currencies	130,654	111,748
Monetary gold	1,285	1,839
	<b>1,132,969</b>	<b>1,062,738</b>



# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 5. BALANCES WITH THE STATE BANK OF VIETNAM

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
In VND	16,178,399	1,875,739
In foreign currencies	89,648	99,595
	<b>16,268,047</b>	<b>1,975,334</b>

Balances with the State Bank of Vietnam include settlement and compulsory reserves. The average balances of the Bank with the State Bank of Vietnam are not less than the compulsory reserve in any given month. The compulsory reserve is calculated by multiplying the average deposit balances of the previous month by the compulsory reserve rates.

The compulsory deposit rates are as follows:

	<i>31 December 2023 % p.a.</i>	<i>31 December 2022 % p.a.</i>
<i>For customers</i>		
Demand deposits and term deposits with maturity term less than 12 months in VND	3.00	3.00
Term deposits with maturity term from 12 months and above in VND	1.00	1.00
Demand deposits and term deposits with maturity term less than 12 months in foreign currencies	8.00	8.00
Term deposits with maturity term from 12 months and above in foreign currencies	6.00	6.00
<i>For overseas credit institutions</i>		
Deposits in foreign currencies	1.00	1.00

# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 5. BALANCES WITH THE STATE BANK OF VIETNAM (continued)

The actual annual interest rates on deposits with the SBV are as follows:

	31 December 2023 % p.a.	31 December 2022 % p.a.
Within compulsory reserve in VND	0.50	0.50
Within compulsory reserve in foreign currencies	0.00	0.00
Over compulsory reserve in VND and foreign currencies	0.00	0.00

## 6. DUE FROM AND LOANS TO OTHER CREDIT INSTITUTIONS

### 6.1 Due from other credit institutions

	Ending balance VND million	Beginning balance VND million
<b>Demand deposits</b>	<b>9,267,817</b>	<b>10,907,581</b>
- In VND	8,468,742	10,568,253
- In foreign currencies	799,075	339,328
<b>Term deposits</b>	<b>11,533,600</b>	<b>12,312,800</b>
- In VND	10,856,000	10,322,000
- In foreign currencies	677,600	1,990,800
	<b>20,801,417</b>	<b>23,220,381</b>

The interest rates of deposits at other credit institutions at the year-end are as follows:

	31 December 2023 % p.a.	31 December 2022 % p.a.
<b>Demand deposits</b>		
- In VND	0.00 – 0.60	0.00 - 0.60
- In foreign currencies	0.00 – 1.00	0.00 - 0.40
<b>Term deposits</b>		
- In VND	0.80 – 4.00	2.50 - 8.80
- In foreign currencies	5.10 – 5.30	4.10 - 4.90

### 6.2 Loans to other credit institutions

	Ending balance VND million	Beginning balance VND million
In VND	<b>1,789,885</b>	<b>685,146</b>

These are loans provided to three people's credit funds under specially supervision, following the direction of the State Bank of Vietnam, at a 0% interest rate (2022: 0%), with an amount of VND289,885 million (31 December 2022: VND289,885 million).



# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 6. DUE FROM AND LOANS TO OTHER CREDIT INSTITUTIONS (continued)

### 6.2 Loans to other credit institutions (continued)

The interest rates of loans at other credit institutions at the year-end are as follows:

	31 December 2023 % p.a.	31 December 2022 % p.a.
<b>Loans to other credit institutions</b>		
In VND	0.00 - 6.30	0.00 - 11.00

### 6.3 Analysis of term deposits and loans to other credit institutions by quality

	Ending balance VND million	Beginning balance VND million
<b>Current</b>	<b>13,323,485</b>	<b>12,997,946</b>
Term deposits	11,533,600	12,312,800
Loans	1,789,885	685,146

## 7. DERIVATIVES AND OTHER FINANCIAL ASSETS/LIABILITIES

	Total contract nominal value (at contractual exchange rate) VND million	Total carrying value (at exchange rate as at reporting date)	
		Assets VND million	Liabilities VND million
<b>Currency derivative instruments as at 31 December 2023</b>			
Forward contracts	11,907	57	-
Swap contracts	5,752,651	39,398	-
	<b>5,764,558</b>	<b>39,455</b>	<b>-</b>
<b>Net amount</b>		<b>39,455</b>	
<b>Currency derivative instruments as at 31 December 2022</b>			
Forward contracts	3,278,959	28,566	-
Swap contracts	8,958,149	76,383	-
	<b>12,237,108</b>	<b>104,949</b>	<b>-</b>
<b>Net amount</b>		<b>104,949</b>	

## 8. LOANS TO CUSTOMERS

	Ending balance VND million	Beginning balance VND million
Loans to domestic economic entities and individuals	141,428,637	119,538,108
Payments on behalf of customers	6,238	-
Loans by commercial bill discount and other valuable papers	3,402	-
Loans by grants and entrusted funds	164	232
	<b>141,438,441</b>	<b>119,538,340</b>

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 8. LOANS TO CUSTOMERS (continued)

The interest rates of loans to customer at the year-end are as follows:

	31 December 2023 % p.a.	31 December 2022 % p.a.
In VND	3.80 - 23.50	4.80 - 25.00
In foreign currencies	3.20 - 7.30	3.20 - 7.30

### 8.1 Analysis of loans by quality

	Ending balance VND million	Beginning balance VND million
Current	133,053,654	114,017,677
Special mention	5,395,665	3,575,428
Substandard	820,666	131,947
Doubtful	1,182,425	237,337
Loss	986,031	1,575,951
	<b>141,438,441</b>	<b>119,538,340</b>

### 8.2 Analysis of loans by original terms

	Ending balance VND million	Beginning balance VND million
Short-term	77,393,620	62,493,606
Medium-term	20,841,076	21,893,368
Long-term	43,203,745	35,151,366
	<b>141,438,441</b>	<b>119,538,340</b>

### 8.3 Analysis of loans by type of customers and ownership

	Ending balance		Beginning balance	
	VND million	%	VND million	%
<b>Corporate loans</b>	<b>113,313,435</b>	<b>80.12</b>	<b>92,868,899</b>	<b>77.69</b>
Other limited companies	61,289,527	43.33	47,750,561	39.95
Other joint stock companies	51,962,750	36.74	45,053,766	37.69
Cooperatives and inter-cooperatives	8,110	0.01	10,886	0.01
Private companies	32	0.00	4,532	0.00
Joint-foreign-invested enterprises	265	0.00	76	0.00
Others	52,751	0.04	49,078	0.04
<b>Loans to individuals</b>	<b>28,125,006</b>	<b>19.88</b>	<b>26,669,441</b>	<b>22.31</b>
	<b>141,438,441</b>	<b>100.00</b>	<b>119,538,340</b>	<b>100.00</b>



# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 8. LOANS TO CUSTOMERS (continued)

### 8.4 Analysis of loans by industry

	Ending balance VND million	Beginning balance VND million
Agriculture, forestry, and fisheries	10,433,935	10,346,816
Mining exploration	811,781	188,154
Manufacturing and processing	3,623,355	3,706,926
Electricity, gas, steam, and air conditioning supply	11,513,182	9,484,311
Water supply; sewerage, waste management and remediation activities	28,715	55,129
Construction	10,241,206	12,031,681
Trading, repair of motor vehicles, motorcycles, and other vehicles	55,693,320	37,639,806
Transportation and warehousing	1,279,707	1,271,120
Hotels and accommodation services	15,730,332	18,790,483
Information and communication	5,464	5,505
Finance services, banking, and insurance activities	1,020,340	85,455
Real estate trading and consulting services	12,802,865	8,602,831
Science and technology activities	199,948	124,836
Administrative activities and supporting service	344,531	31,330
Education and training	10,913	5,220
Health and social support activities	53,620	23,613
Arts, entertainment, and recreation	3,683,797	3,532,132
Others	12,133	33,561
Activities of households as employers, undifferentiated goods and services producing activities of households for own use	13,949,297	13,579,432
	<b>141,438,441</b>	<b>119,538,340</b>

## 9. PROVISION FOR CREDIT LOSSES

The breakdown of the provision for credit losses at the year-end is as follows:

	Note	Ending balance VND million	Beginning balance VND million
Provision for loans to customers	9.1	1,543,800	1,244,228
Provision for credit risk receivables	13.4	4,349	4,075
Provision for special bonds issued by VAMC	10.5	-	637,815
		<b>1,548,149</b>	<b>1,886,118</b>

# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 9. PROVISION FOR CREDIT LOSSES (Continued)

The provision for credit losses at the year-end is as follows:

	Notes	Ending balance VND million	Beginning balance VND million
Provision charged for loans to customers	9.1	1,323,280	501,017
Provision charged for credit risk receivables	13.4	274	-
Provision (reverse)/charged for special bonds issued by VAMC	10.5	(475,750)	362,376
		<b>847,804</b>	<b>863,393</b>

### 9.1 Provision for loans to customers

The movements of the provision for credit losses during the current year are as follows:

	Specific provision VND million	General provision VND million	Total VND million
1 January 2023	359,510	884,718	1,244,228
Provision charged to during the year	1,154,605	168,675	1,323,280
Provision used to write-off bad debts during the year	(1,023,708)	-	(1,023,708)
<b>31 December 2023</b>	<b>490,407</b>	<b>1,053,393</b>	<b>1,543,800</b>

The movements of provision for credit losses during the previous year are as follows:

	Specific provision VND million	General provision VND million	Total VND million
1 January 2022	521,104	761,658	1,282,762
Provision charged to during the year	377,957	123,060	501,017
Provision used to write-off bad debts during the year	(539,551)	-	(539,551)
<b>31 December 2022</b>	<b>359,510</b>	<b>884,718</b>	<b>1,244,228</b>



# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 10. INVESTMENT SECURITIES

### 10.1 Available-for-sale securities

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
<b>Debt securities</b>		
Government bonds (a)	3,084,093	3,573,245
Bonds and deposit certificates issued by other domestic credit institutions (b)	9,582,574	7,450,000
Bonds issued by domestic economic entities (c)	300,000	2,324,984
	<b>12,966,667</b>	<b>13,348,229</b>
<b>Equity securities</b>		
Equity securities issued by other domestic credit institutions	103,369	103,369
Equity securities issued by domestic economic entities	40,772	40,772
	<b>144,141</b>	<b>144,141</b>
	<b>13,110,808</b>	<b>13,492,370</b>
<b>Provision for available-for-sale securities</b>		
Diminution provision	(16,595)	(32,188)
General provision	(2,250)	(17,437)
	<b>(18,845)</b>	<b>(49,625)</b>
	<b>13,091,963</b>	<b>13,442,745</b>

- (a) Government bonds have terms ranging from 15 years to 30 years and bear interest at rates ranging from 2.70% p.a. to 7.80% p.a.
- (b) Bonds issued by other credit institutions have terms ranging from 2 years to 3 years and earn interest at rates ranging from 5.70% p.a. to 7.30% p.a. Deposit certificates issued by other credit institutions have terms ranging from 7 months to 12 months and earn interest at rates ranging from 5.10% p.a. to 9.50% p.a.
- (c) The current interest rate of bonds is at 10.00% p.a. and is fixed or subject to change on a semi-annually basis, depending on each type of bond.

Listing status of available-for-sale securities are as follows:

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
<b>Debt securities</b>		
Listed	3,084,093	3,573,245
Unlisted	9,882,574	9,774,984
	<b>12,966,667</b>	<b>13,348,229</b>
<b>Equity securities</b>		
Unlisted	144,141	144,141
	<b>144,141</b>	<b>144,141</b>

# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 10. INVESTMENT SECURITIES (continued)

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

	Ending balance VND million	Beginning balance VND million
Government bonds (a)	9,977,613	10,083,992
Bonds issued by other domestic credit institutions (b)	999,201	1,025,605
	<b>10,976,814</b>	<b>11,109,597</b>

(a) These are Government bonds that have terms ranging from 10 years to 30 years and earn interest at rates ranging from 2.20% p.a. to 6.30% p.a.

(b) These are bonds issued by other domestic credit institutions that have term ranging from 5 years to 15 years and earn interest at rates ranging from 6.10% p.a. to 8.10% p.a.

Listing status of held-to-maturity securities (excluding special bonds issued by VAMC) is as follows:

	Ending balance VND million	Beginning balance VND million
<b>Debt securities</b>		
Listed	10,776,814	11,109,597
Unlisted	200,000	-
	<b>10,976,814</b>	<b>11,109,597</b>

### 10.3 Special bonds issued by VAMC

	Ending balance VND million	Beginning balance VND million
Par value of special bonds	-	1,744,220
Provision expense for special bonds issued by VAMC	-	(637,815)
	<b>-</b>	<b>1,106,405</b>

These are special bonds issued by Vietnam Asset Management Company ("VAMC") to purchase bad debts of the Bank. These bonds have a term of 5 years and earn interest at a rate of 0.00% p.a. The par value of these special bonds is the difference between the outstanding loan balance and the corresponding unused specific provision at the purchasing date.

The movement of VAMC bonds during the year is as follows:

	Current year VND million	Previous year VND million
Beginning balance	1,744,220	1,377,193
Increase during in year	-	1,730,269
Settlement during the year	(1,744,220)	(1,363,242)
<b>Ending balance</b>	<b>-</b>	<b>1,744,220</b>



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## 10. INVESTMENT SECURITIES (continued)

### 10.4 Analysis of securities classified as credit risk assets by quality

	Ending balance VND million	Beginning balance VND million
<b>Bonds issued by domestic economic entities</b>		
Current	<b>300,000</b>	<b>2,324,984</b>

### 10.5 Provision for investment securities

The movements of the provision for investment securities during the year are as follows:

	Current year VND million	Previous year VND million
<b>1 January 2023</b>		
Available-for-sale securities	49,625	29,037
Held-to-maturity securities	-	1,500
(excluded special bonds issued by VAMC)	637,815	275,439
Special bond issued by VAMC	<b>687,440</b>	<b>305,976</b>
<b>Provision charged during the year</b>		
Special bonds issued by VAMC	(162,065)	-
	<b>(162,065)</b>	-
<b>Provision charged/(reversal) in the year</b>		
Available for sale securities	(30,780)	20,588
Held to maturity securities (excluded special bonds issued by VAMC)	-	(1,500)
Special bonds issued by VAMC	(475,750)	362,376
	<b>(506,530)</b>	<b>381,464</b>
<b>31 December 2023</b>		
Available for sale securities	18,845	49,625
Held to maturity securities	-	-
Special bonds issued by VAMC	-	637,815
	<b>18,845</b>	<b>687,440</b>

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## 11. LONG-TERM INVESTMENTS

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Investments in subsidiary	500,000	100,000
Other long-term investments	74,800	74,800
	<b>574,800</b>	<b>174,800</b>

### 11.1 Investments in subsidiary

The breakdown of investments in subsidiary is as follow:

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i> <i>VND million</i>	<i>Ownership</i> <i>(%)</i>	<i>Cost</i> <i>VND million</i>	<i>Ownership</i> <i>(%)</i>
Nam A Bank Asset Management Company Limited	<b>500,000</b>	<b>100</b>	<b>100,000</b>	<b>100</b>

The movements of investments in subsidiary during the year are as follow:

	<i>Ending balance</i> <i>VND million</i>	<i>Beginning balance</i> <i>VND million</i>
Beginning balance	100,000	100,000
Investments in subsidiary during the year	400,000	-
<b>Ending balance</b>	<b>500,000</b>	<b>100,000</b>

### 11.2 Other long-term investments

This is the investment in Beta Securities Incorporation.



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

## 12. FIXED ASSETS

### 12.1 Tangible fixed assets

Cost	Buildings and structures VND million	Machinery and equipment VND million	Vehicles VND million	Office equipment VND million	Other fixed assets VND million	Total/ VND million
Beginning balance	422,680	415,676	216,112	35,709	14,802	1,104,979
New purchases	4,234	27,674	1,597	1,154	518	35,177
Transfer from constructions in progress	355,201	45,928	46,478	5,306	4,778	457,691
Disposal	-	(38,592)	(10,089)	(150)	(117)	(48,948)
Transfer from financial lease fixed assets	-	-	4,299	-	-	4,299
Decrease in year	782,115	450,686	258,397	42,019	19,981	1,553,198
Ending balance	4,234	27,674	1,597	1,154	518	35,177
<b>Accumulated depreciation</b>						
Beginning balance	158,990	241,718	142,545	30,753	12,764	586,770
Depreciation for the year	28,777	48,326	28,686	3,023	1,820	110,632
Transfer from financial lease fixed assets	-	-	3,642	-	-	3,642
Disposal	-	(38,592)	(10,059)	(147)	(117)	(48,915)
Ending balance	187,767	251,452	164,814	33,629	14,467	652,129
<b>Net book value</b>						
Beginning balance	263,690	173,958	73,567	4,956	2,038	518,209
Ending balance	594,348	199,234	93,583	8,390	5,514	901,069

The cost of fully depreciated tangible fixed assets that are still in use as at 31 December 2023 is VND264,177 million (31 December 2022 is VND273,986 million).

# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 12. FIXED ASSETS (continued)

### 12.2 Financial lease fixed assets

	<i>Vehicles</i> <i>VND million</i>
<b>Cost</b>	
Beginning balance	133,752
Increase in year	19,293
Transfer from construction in progress	9,346
Transfer to intangible fixed assets	(4,299)
Ending balance	158,092
<b>Accumulated depreciation</b>	
Beginning balance	33,797
Depreciation for the year	24,205
Transfer to intangible fixed assets	(3,642)
Ending balance	54,360
<b>Net book value</b>	
Beginning balance	99,955
Ending balance	103,732

The Bank leases some motor vehicles under various finance lease agreements. At the end of the lease term, the Bank has the option to purchase the motor vehicles.



# Nam A Commercial Joint Stock Bank

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

## 12. FIXED ASSETS (continued)

### 12.2 Intangible fixed assets

	Definite term land use rights VND million	Indefinite-term land use rights VND million	Computer software VND million	Total VND million
<b>Cost</b>				
Beginning balance	44,788	356,378	174,388	575,554
New purchases	-	-	5,820	5,820
Transfer from constructions in progress	160,799	-	2,266	163,065
Ending balance	205,587	356,378	182,474	744,439
<b>Accumulated amortization</b>				
Beginning balance	4,608	-	147,322	151,930
Amortization for the year	5,945	-	4,972	10,917
Ending balance	10,553	-	152,294	162,847
<b>Net book value</b>				
Beginning balance	40,180	356,378	27,066	423,624
Ending balance	195,034	356,378	30,180	581,592

The cost of fully amortized intangible fixed assets that are still in use as at 31 December 2023 is VND140,415 million (31 December 2022 is VND140,937 million).

# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 13 OTHER ASSETS

### 13.1 Receivables

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Receivables in fast money transfer	515,070	1,448,455
Constructions in progress (i)	293,571	531,950
Deposit, mortgage, pledge (ii)	171,028	125,606
Receivables from debt trading	89,466	46,065
Operating advances	62,937	70,120
Receivables from card payment activities	32,639	16,799
Others	1,033	21,181
	<b>1,165,744</b>	<b>2,260,176</b>

(i) Constructions in progress include:

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Purchase of houses and offices	290,036	516,208
Machinery and equipment	2,367	8,928
Transportation vehicles	-	6,285
Purchase of other assets	1,168	529
	<b>293,571</b>	<b>531,950</b>

The movement of constructions in progress during the year is as follows:

	<i>Current year VND million</i>	<i>Previous year VND million</i>
Beginning balance	531,950	42,867
Increase in the year	520,911	608,340
Transfer to tangible fixed assets	(457,691)	(84,535)
Transfer to intangible fixed assets	(163,065)	(15,568)
Transfer to finance lease fixed assets	(9,346)	(19,154)
Transfer to tools and equipment	(19,675)	-
Transfer to prepaid and operating expenses	(109,513)	-
<b>Ending balance</b>	<b>293,571</b>	<b>531,950</b>

(ii) This item includes deposits for the lease of branches and transaction offices of the Bank.



# Nam A Commercial Joint Stock Bank

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

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## 13. OTHER ASSETS (continued)

### 13.2 Interest and fees receivables

	Ending balance VND million	Beginning balance VND million
Interest receivable from credit activities	1,577,705	2,090,552
Interest receivable from investment securities	450,910	561,843
Interest receivable from deposits	21,807	46,841
Interest receivable from swap contracts	5,684	13,387
Interest receivable from forward contracts	9	15,224
Other receivables	20,170	-
	<b>2,076,285</b>	<b>2,727,847</b>

### 13.3 Other assets

	Ending balance VND million	Beginning balance VND million
Prepaid expenses (i)	578,172	387,126
Foreclosed assets awaiting resolution (ii)	82,047	48,803
Tools and supplies	20,746	14,182
	<b>680,965</b>	<b>450,111</b>

(i) Prepaid expenses primarily include costs for asset leasing and repairs, costs for purchasing tools and equipment, and other types of prepaid expenses

(ii) The following are the details of foreclosed assets that have been transferred ownership to other credit institutions and are awaiting resolution:

	Ending balance VND million	Beginning balance VND million
Shares	<b>82,047</b>	<b>48,803</b>

### 13.4 Provision for other assets

The provision for other assets includes:

	Ending balance VND million	Beginning balance VND million
Provision for credit losses	4,349	4,075
General provision	274	-
Specific provision	4,075	4,075
Provision for diminution	28,674	22,548
	<b>33,023</b>	<b>26,623</b>

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 13. OTHER ASSETS (continued)

### 13.4 Provision for other assets (continued)

Changes in the provision for other assets during the year are as follows:

	Current year VND million	Previous year VND million
Beginning balance	26,623	16,544
Diminution provision charged during the year	6,126	10,079
General provision charged	274	-
<b>Ending balance</b>	<b>33,023</b>	<b>26,623</b>

## 14. BORROWINGS FROM THE GOVERNMENT AND THE STATE BANK OF VIETNAM

	Ending balance VND million	Beginning balance VND million
Borrowing under credit facilities	<b>345</b>	<b>612</b>

## 15. DUE TO AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

### 15.1 Due to other credit institutions

	Ending balance VND million	Beginning balance VND million
<b>Demand deposits</b>	<b>8,014,467</b>	<b>9,034,648</b>
In VND	8,014,467	9,034,648
<b>Term deposits</b>	<b>14,802,500</b>	<b>11,244,400</b>
In VND	13,834,500	10,012,000
In foreign currencies	968,000	1,232,400
	<b>22,816,967</b>	<b>20,279,048</b>

The interest rates applicable to due to other credit institutions at year-end are as follows:

	31 December 2023 % p.a.	31 December 2022 % p.a.
Term deposits in VND	0.80 - 5.00	2.60 - 8.80
Term deposits in foreign currencies	5.30	4.30 - 5.00



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

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## 15. DUE TO AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS (continued)

### 15.2 Borrowings from other credit institutions

	Ending balance VND million	Beginning balance VND million
<b>Borrowings from other credit institutions</b>		
In VND	64,814	64,629
Finance leases	64,814	64,629
In foreign currencies	1,139,581	999,922
	<b>1,204,395</b>	<b>1,064,551</b>

The interest rates applicable to borrowings from other credit institutions at year-end are as follows:

	31 December 2023 % p.a.	31 December 2022 % p.a.
In VND	8.05 - 12.05	8.95 - 12.15
In foreign currencies	0.75 - 6.38	0.75 - 7.72

## 16. DUE TO CUSTOMERS

### 16.1 Analysis by type of deposits

	Ending balance VND million	Beginning balance VND million
<b>Demand deposits</b>	<b>10,003,475</b>	<b>8,271,076</b>
Demand deposits in VND	9,608,997	8,053,398
Demand deposits in foreign currencies	364,457	200,630
Demand savings deposits in VND	29,385	16,176
Demand savings deposits in foreign currencies	636	872
<b>Term deposits</b>	<b>134,549,843</b>	<b>116,476,253</b>
Term deposits in VND	29,231,149	18,154,181
Term deposits in foreign currencies	102,060	57,265
Term savings deposits in VND	104,511,347	97,508,099
Term savings deposits in foreign currencies	705,287	756,708
<b>Deposits for specific purposes</b>	<b>769,691</b>	<b>76,654</b>
Deposits for specific purposes in VND	767,715	63,428
Deposits for specific purposes in foreign currencies	1,976	13,226
<b>Margin deposits</b>	<b>288,026</b>	<b>251,649</b>
Margin deposits in VND	288,026	251,649
	<b>145,611,035</b>	<b>125,075,632</b>

# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 16. DUE TO CUSTOMERS (continued)

### 16.1 Analysis by type of deposits (continued)

Annual interest rates applicable to customer deposits are as follows:

	31 December 2023 % p.a.	31 December 2022 % p.a.
Demand deposits in VND	0.00 - 0.50	0.00 - 1.00
Demand savings deposits in VND	0.50	1.00
Demand deposits in foreign currencies	0.00	0.00
Demand savings deposits in foreign currencies	0.00	0.00
Term deposits in VND	0.50 - 12.20	1.00 - 12.00
Term savings deposits in VND	0.50 - 13.10	0.00 - 13.10
Term deposits in foreign currencies	0.00	0.00
Term savings deposits in foreign currencies	0.00	0.00

### 16.2 Analysis by customers and type of business

	Ending balance VND million	Beginning balance VND million
<b>Deposits from economic entities</b>	<b>33,413,499</b>	<b>21,695,120</b>
Other joint stock companies	15,498,078	8,403,218
Other limited companies	6,813,864	4,881,549
One-member limited liability companies of which 100% charter capital is held by the State	4,156,586	2,850,446
Public administrative units, agencies of the Communist Party, unions and associations	4,132,212	3,540,130
State-owned companies	1,085,544	941,000
Joint-foreign-invested enterprises	616,924	579,587
Partnership	40,509	34,117
Private companies	40,197	26,492
Cooperatives and inter-cooperatives	26,160	32,872
The joint stock company of which over 50% of share capital or the total voting share capital is held or coordinated by the State under the company's charter	1,003,425	405,709
<b>Deposits from individuals</b>	<b>110,553,797</b>	<b>101,983,707</b>
<b>Others</b>	<b>1,643,739</b>	<b>1,396,805</b>
	<b>145,611,035</b>	<b>125,075,632</b>



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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 17. GRANTS, ENTRUSTED FUNDS, AND LOANS EXPOSED TO RISKS

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
In VND	1,665	3,230
In foreign currencies (i)	1,064,800	948,000
	<b>1,066,465</b>	<b>951,230</b>

(i) This is a part of entrusted funds in USD that are used to finance projects with purposes in compliance with the agreement.

## 18. VALUABLE PAPERS ISSUED

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Certificate of deposits less than 1 year	5,600,000	4,600,000
Certificate of deposits over 1 year	9,148,868	7,283,663
Bonds having term over 1 year	3,710,000	500,000
	<b>18,458,868</b>	<b>12,383,663</b>

The annual interest rates applicable to valuable papers issued are as follows:

	<i>31 December 2023 %/p.a.</i>	<i>31 December 2022 %/p.a.</i>
Certificate of deposits less than 1 year	4.90 - 9.50	3.90 - 9.50
Certificate of deposits over 1 year	5.20 - 11.70	4.30 - 11.70
Bonds having term over 1 year	4.40 - 9.70	4.10 - 7.80

## 19. OTHER LIABILITIES

### 19.1 Interest and fees payable

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Interest on saving deposits	2,913,772	2,239,118
Interest on deposits	676,905	426,789
Interest on valuable papers	662,245	455,364
Interest on borrowings	16,674	9,032
Interest on grants, entrusted funds	7,479	2,185
Interest on swap contracts	6,130	19,617
Interest on forward contracts	8	6,959
	<b>4,283,213</b>	<b>3,159,064</b>

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 19. OTHER LIABILITIES (continued)

### 19.2 Other payables

	Ending balance VND million	Beginning balance VND million
<b>Internal payables</b>	<b>324,103</b>	<b>284,663</b>
Payables to employees	270,625	258,518
Bonus and welfare fund (i)	53,478	26,145
<b>External payables</b>	<b>1,067,682</b>	<b>1,809,773</b>
Payables to fast remittance transaction	580,478	1,518,204
Taxes and other payables to the State Budget	364,781	120,004
Payments pending in payment operations	26,174	55,755
Payables related to card payment services	43,674	38,116
Unearned income from insurance brokerage activities	-	31,752
Cash held in trust and waiting for settlement	17,472	16,542
Union payables	4,183	6,265
Dividends	3,866	4,092
Other unearned income	3,222	1,587
Others	23,832	17,456
	<b>1,391,785</b>	<b>2,094,436</b>

(i) The movement of the bonus and welfare fund during the year is as follows:

	Current year VND million	Previous year VND million
Beginning balance	26,145	12,897
Appropriation in year	29,607	13,898
Utilization during the year	(2,274)	(650)
<b>Ending balance</b>	<b>53,478</b>	<b>26,145</b>

## 20. STATUTORY OBLIGATIONS

	31 December 2022 VND million	Movement during the year		31 December 2023 VND million
		Payables VND million	Paid VND million	
Value added tax	1,654	104,983	(37,849)	68,788
Corporate income tax	87,059	680,938	(500,297)	267,700
Other taxes	31,291	147,217	(150,215)	28,293
Personal income tax	29,655	134,419	(138,870)	25,204
Withholding tax	1,636	12,656	(11,203)	3,089
License tax	-	142	(142)	-
Others	-	1,148	(1,148)	-
	<b>120,004</b>	<b>934,286</b>	<b>(689,509)</b>	<b>364,781</b>



# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 20. STATUTORY OBLIGATIONS (continued)

### 20.1 Current corporate income tax

The Bank has an obligation to pay corporate income tax ("CIT") at a rate of 20% on taxable profits for the current year (previous year: 20%).

The tax returns of the Bank are subject to examination by the taxation authorities. Since the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the separate financial statements could be changed at a later date upon final determination by the taxation authorities.

The current tax payable is based on taxable profit for the current year. Taxable income differs from profit as reported in the consolidate income statement because it excludes taxable income or deductible expenses from prior years due to differences between the Bank's accounting policies and the current income tax policies. It also excludes non-taxable income or non-deductible expenses. The current CIT payables are calculated based on the statutory tax rates applicable at the end of the year.

The calculation of current CIT during the year is as follows:

	<i>Current year VND million</i>	<i>Previous year VND million</i>
<b>Profit before tax</b>	<b>3,302,557</b>	<b>2,266,384</b>
At applicable CIT tax rate of 20%	660,511	453,276
<i>Adjustments to decrease:</i>		
- Income from untaxable dividends	(1,070)	(1,230)
<i>Adjustments to increase:</i>		
- Non-deductible expenses	21,497	6,462
<b>Estimated CIT expenses for the year</b>	<b>680,938</b>	<b>458,508</b>

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 21. OWNERS' EQUITY

The movement of the equity is presented below:

	Charter capital VND million	Share premium VND million	Others VND million	Fund for capital expenditure VND million	Reserves of credit institutions VND million	Retained earnings VND million	Total VND million
31 December 2022	8,464,347	1,572,231	25	10	1,022,904	1,561,753	12,621,270
Increase in the year	2,116,069	(1,571,816)	-	-	-	(544,253)	-
Net profit for the year	-	-	-	-	-	2,621,619	2,621,619
Appropriation to reserves	-	-	-	-	396,317	(396,317)	-
Appropriation to bonus and welfare funds	-	-	-	-	-	(29,607)	(29,607)
<b>31 December 2023</b>	<b>10,580,416</b>	<b>415</b>	<b>25</b>	<b>10</b>	<b>1,419,221</b>	<b>3,213,195</b>	<b>15,213,282</b>

During the year, the Bank made the financial reserve, the capital supplementary reserve and the bonus and welfare fund according to the approval of the profit distribution plan for 2022 on 17 March 2023.



# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 21. OWNER'S EQUITY (continued)

The movement of the Bank's reserves during the year are presented below:

<i>Items</i>	<i>Financial reserve VND million</i>	<i>Capital supplementary reserve VND million</i>	<i>Other reserve VND million</i>	<i>Total VND million</i>
31 December 2022	675,537	338,502	8,865	1,022,904
Appropriation to reserves	262,162	131,081	3,074	396,317
<b>31 December 2023</b>	<b>937,699</b>	<b>469,583</b>	<b>11,939</b>	<b>1,419,221</b>

Details of the Bank's shares are as follows:

	<i>31 December 2023 Shares</i>	<i>31 December 2022 Shares</i>
Number of registered shares	1,058,041,615	846,434,661
Number of shares issued		
- Ordinary shares	1,058,041,615	846,434,661
Number of outstanding shares		
- Ordinary shares	1,058,041,615	846,434,661

# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 22. INTEREST AND SIMILAR INCOME

	<i>Current year VND million</i>	<i>Previous year VND million</i>
Interest income from loans	17,246,142	11,520,471
Interest income from investing securities	1,075,430	1,016,244
Interest income from deposit	616,668	278,661
Interest income from guarantee services	104,547	14,402
Other income from credit activities	295,553	136,572
	<b>19,338,340</b>	<b>12,966,350</b>

## 23. INTEREST AND SIMILAR EXPENSES

	<i>Current year VND million</i>	<i>Previous year VND million</i>
Interest expense on deposits	11,319,413	6,986,907
Interest expense on valuable papers	1,094,283	720,520
Interest expense on borrowings	213,260	85,627
Interest expense on finance lease	7,262	4,012
Expenses for other credit activities	92,468	75,010
	<b>12,726,686</b>	<b>7,872,076</b>

## 24. NET FEES AND COMMISSION INCOME

	<i>Current year VND million</i>	<i>Previous year VND million</i>
<b>Fees and commission income</b>	<b>1,141,487</b>	<b>402,724</b>
Settlement services	717,008	174,788
Account services	186,388	30,226
Asset preservation services	39,536	31,857
Property rental service	37,370	33,797
Consulting service	31,123	26,610
Insurance brokerage fees	12,967	70,793
Treasury services	3,124	3,569
Others	113,971	31,084
<b>Fees and commission expenses</b>	<b>(547,045)</b>	<b>(127,905)</b>
Settlement services	(536,510)	(117,730)
Treasury services	(3,507)	(4,010)
Consulting service	(2,768)	(3,674)
Others	(4,260)	(2,491)
	<b>594,442</b>	<b>274,819</b>

# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 25. NET GAIN FROM TRADING OF FOREIGN CURRENCIES

	<i>Current year VND million</i>	<i>Previous year VND million</i>
<b>Income from foreign exchange</b>	<b>271,855</b>	<b>289,332</b>
Income from spot foreign exchange	207,706	193,869
Income from currency derivatives	63,763	95,194
Income from gold trading	386	269
<b>Expense from foreign exchange</b>	<b>(257,248)</b>	<b>(232,286)</b>
Expense from spot foreign exchange	(87,285)	(139,296)
Expense from currency derivatives	(169,666)	(92,935)
Expense from gold trading	(297)	(55)
	<b>14,607</b>	<b>57,046</b>

## 26. NET GAIN FROM INVESTMENT SECURITIES

	<i>Current year VND million</i>	<i>Previous year VND million</i>
Income from dealing of investment securities	70,892	122,296
Expenses from dealing of investment securities	(42,385)	(61)
Provision reversed/(charged) for available-for-sale securities	30,780	(4,368)
Provision reversed for held-to-maturity securities	-	1,500
	<b>59,287</b>	<b>119,367</b>

## 27. NET GAIN FROM OTHER OPERATING ACTIVITIES

	<i>Current year VND million</i>	<i>Previous year VND million</i>
<b>Other operating income</b>	<b>499,519</b>	<b>319,679</b>
Recovery of debts previously written off	496,895	310,599
Income from disposals of fixed assets	1,158	1,276
Other income	1,466	7,804
<b>Other operating expenses</b>	<b>(166,580)</b>	<b>(17,411)</b>
Contract termination expense	(89,000)	-
Value-added tax late payment expense	(64,701)	-
Sponsoring expense	(9,068)	(13,896)
Other expenses	(3,811)	(3,515)
	<b>332,939</b>	<b>302,268</b>



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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 28. INCOME FROM INVESTMENTS IN OTHER ENTITIES

	<i>Current year VND million</i>	<i>Previous year VND million</i>
Long-term investments	5,314	106,438
Equity investment	38	32
	<b>5,352</b>	<b>106,470</b>

## 29. OPERATING EXPENSES

	<i>Current year VND million</i>	<i>Previous year VND million</i>
<b>Personnel expenses</b>	<b>1,871,040</b>	<b>1,514,586</b>
- Salary and allowances	1,691,461	1,375,589
- Salary-related allowances	110,404	81,645
- Allowances	69,175	57,352
<b>Depreciation expenses on fixed assets</b>	<b>145,665</b>	<b>110,417</b>
<b>Other operating expenses</b>	<b>1,451,215</b>	<b>1,199,464</b>
- General management	360,604	308,468
- Office rental	283,590	227,509
- Advertising, marketing, promotion and entertainment	297,876	205,550
- Repair and maintenance assets	165,794	168,723
- Insurance expenses for customer deposits	174,845	145,233
- Other assets expenses	45,106	37,573
- Union expenses	43,385	35,010
- Printing materials expenses	41,060	29,146
- Business trips expenses	18,932	16,114
- Provision charged/(reversal) expenses (excluding provision for credit losses, investment)	6,126	10,079
- Other expenses	13,897	16,059
	<b>3,467,920</b>	<b>2,824,467</b>

## 30. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the separate cash flows statement comprise the following balances in the separate statement of financial position:

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Cash and gold	1,132,969	1,062,738
Balances with the State Bank of Vietnam	16,268,047	1,975,334
Due from and loans to other credit institutions with term of less than 3 months	20,801,417	23,220,381
	<b>38,202,433</b>	<b>26,258,453</b>

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## 31. EMPLOYEES' INCOME

	Current year VND million	Previous year VND million
I. Total number of employees (persons)	5,085	4,260
II. Employees' income (VND million)		
1. Total salary	1,691,461	1,375,589
2. Bonus	1,090	650
3. Total income (1+2)	1,692,551	1,376,239
4. Average monthly salary (VND million/person)	28	27
5. Average monthly income (VND million/person)	28	27

## 32. TYPES AND BOOK VALUE OF COLLATERALS

### 32.1 Assets and valuable papers of mortgaged, pledged and discounted, re-discounted

The types and book value of customers' collaterals at the year-end are as follows:

	Ending balance VND million	Beginning balance VND million
Real estate properties	146,305,613	143,755,095
Valuable papers	67,691,303	49,527,167
Movable assets	4,331,319	3,002,089
Other assets	64,549,919	42,950,064
	282,878,154	239,234,415

### 32.2 Assets and valuable papers of the Bank mortgaged, pledged and discounted, re-discounted

The breakdown of financial assets mortgaged, pledged by the Bank for credit granting activities with the State Bank of Vietnam, as well as those discounted, borrowed against, or transferred under purchase and repurchase agreements with SBV and other credit institutions, is as follows:

	Ending balance VND million	Beginning balance VND million
Valuable papers	7,379,000	7,300,000



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## 33. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of business, the Bank is parties to financial instruments that are recorded off-statement of financial position. These financial instruments mainly comprise foreign exchange commitments, guarantee commitments and commercial letters of credit. These instruments involve elements of credit risk for the Bank, which are not reflected in the items recognized in the separate statement of financial position.

Credit risk for off-statement of financial position financial instruments is defined as the possibility of sustaining a loss for the Bank if any other party to a financial instrument fails to perform in accordance with the terms of the contract.

Financial guarantees are conditional commitments issued by the Bank to guarantee the performance of a customer to a third-party. This includes guarantees for borrowings, settlement, performing contracts, and bidding. The credit risk involved in issuing guarantees is essentially the same as that involved in extending loans to other customers.

Deferred payment letters of credits represent the amounts at risk should the contract be fully performed but the client defaults in repayment to the beneficiary. Deferred payment letters of credit that defaulted by clients are recognized by the Bank as granting of a compulsory loan with a corresponding liability representing the financial obligation of the Bank to pay the beneficiaries and to fulfil the guarantor obligation.

The Bank requires margin deposits to support credit-related financial instruments when it is deemed necessary. The margin deposit required varies from nil to 100% of the value of a granted commitment, depending on the creditworthiness of clients as assessed by the Bank.

The currency trading commitments include commitments to purchase, sell at spot, and currency swap commitments. Commitments to purchase or sell at spot are commitments to purchase or sell currency at the dealt exchange rate and make payment within 2 (two) days from transaction date. Currency swap commitments involve purchasing and selling with the same notional principal amount (using only two currencies) to one client. This includes one transaction for term payment at spot and one transaction for term payment in the future, with the exchange rate of both transactions determined at spot transaction date.

Details of outstanding commitments and contingent liabilities at the year-end are as follows:

	Ending balance VND million	Beginning balance VND million
Foreign exchange commitments	<b>14,694,595</b>	<b>17,916,749</b>
- Cross currency swap contracts	12,105,195	17,916,749
- Spot foreign exchange commitments - buy	2,420,000	-
- Spot foreign exchange commitments - sell	169,400	-
Letters of credit	<b>6,116,593</b>	<b>7,953,409</b>
- Deferred letters of credit	6,116,593	7,953,409
Other guarantees	<b>9,884,653</b>	<b>899,503</b>
- Settlement guarantee	684,543	512,013
- Contract performance guarantee	231,470	185,792
- Bid guarantee	8,752	29,936
- Other guarantees	8,959,888	171,762
	<b>30,695,841</b>	<b>26,769,661</b>
	(38,910)	(13,684)
Less: Margin deposits		
<b>Contingent liabilities and commitments</b>	<b>30,656,931</b>	<b>26,755,977</b>



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## 34. INTEREST AND RECEIVABLE FEES NOT YET COLLECTED

Details of outstanding interest and receivable fees not yet collected at the year-end are as follows:

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Interest and receivable fees not yet collected	<b>2,019,149</b>	<b>1,264,852</b>

## 35. WRITTEN-OFF DEBTS

Details of outstanding written-off debts at the year-end are as follows:

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Debts that have been written-off and under monitoring	2,673,642	1,708,516
<i>Principal</i>	1,735,034	990,432
<i>Interest</i>	938,608	718,084
Others	605	605
	<b>2,674,247</b>	<b>1,709,121</b>

## 36. ASSETS AND OTHER DOCUMENTS

Details of outstanding assets and other documents at the year-end are as follows:

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
Other assets kept for customers	2,188,093	4,061,204
Security assets received as replacement for performance of the securing party's obligation awaiting resolution	13,702	-
Other valuable documents being preserved	9,231,481	8,389,081
	<b>11,433,276</b>	<b>12,450,285</b>

## 37. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other entities to which the Bank is related. Parties are considered as related parties if one party is able to control over or significantly influence to the other party in making decision of financial and operational policies. A party is deemed to be related to the Bank if:

(a) Directly, or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with the Bank (including parents and subsidiary);
- has an interest (owing 5% or more of the charter capital or voting share capital) in the Bank that gives it significant influence over the Bank;
- has joint control over the Bank;

(b) The party is a joint venture in which the Bank are ventures (owning over 11% of the charter capital or voting share capital but is not a subsidiary of the Bank);

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## 37. RELATED PARTY TRANSACTIONS (continued)

- (c) The party is a member of the key management personnel of the Bank;
- (d) The party is a close member of the family of any person referred to in (a) or (c); or
- (e) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any person referred to in (c) or (d).

Remuneration for members of the Board of Directors, Board of Supervision, Board of Management of the Bank, and related parties to these individuals.

	<i>Current year</i> <i>VND million</i>
<b>Salary and allowances of the Board of Managements</b>	<b>34,091</b>
<i>In which:</i>	
- Mr. Tran Ngoc Tam	7,035
- Other members	27,056
<b>Remuneration for members of the Board of Directors</b>	<b>11,700</b>
<i>In which:</i>	
- Mr. Tran Ngo Phuc Vu	3,900
- Mr. Tran Ngoc Tam	650
- Ms. Vo Thi Tuyet Nga	3,250
- Mr. Nguyen Duc Minh Tri	2,600
- Ms. Nguyen Thi Thanh Dao	650
- Ms. Le Thi Kim Anh	650
<b>Remuneration for members of the Board of Supervision</b>	<b>3,770</b>
	<i>Previous year</i> <i>VND million</i>
<b>Salary and allowances of the Board of Managements</b>	<b>33,706</b>
<i>In which:</i>	
- Mr. Tran Ngoc Tam	5,265
- Other members	28,441
<b>Remuneration for members of the Board of Directors</b>	<b>6,536</b>
<i>In which:</i>	
- Mr. Tran Ngo Phuc Vu	1,347
- Mr. Tran Ngoc Tam	37
- Ms. Vo Thi Tuyet Nga	747
- Mr. Nguyen Duc Minh Tri	147
- Ms. Nguyen Thi Thanh Dao	37
- Ms. Le Thi Kim Anh	37
- Mr. Nguyen Quoc Toan (*)	1,696
- Mr. Phan Dinh Tan (*)	1,131
- Mr. Nguyen Quoc My (*)	1,131
- Ms. Do Anh Thu (*)	226
<b>Remuneration for members of the Board of Supervision</b>	<b>1,831</b>

(\*) Former members of the Board of Directors resigned on 8 December 2022

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## 37. RELATED PARTY TRANSACTIONS (continued)

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

### (a) Subsidiary

	Current year VND million	Previous year VND million
Interest expense for deposits	(12,291)	(4,681)
Income from investments in other entities	5,314	-
Other income	7	6
Expense from other activities	(25,525)	(22,155)
Capital increase	400,000	-

### (b) Member of Board of Directors, Board of Supervision and Board of Managements and other related parties to these individuals

	Current year VND million	Previous year VND million
Deposit/loan interest income	527	174
Interest expense on deposits	(563)	(95)

### (c) Other related parties (\*\*)

	Current year VND million	Previous year VND million
Interest income on loans	4,680	3,494
Interest expense on deposits	(5,971)	(2,731)
Lease expense	-	(767)
Income from other activities	-	12
Expense from other activities	-	(2,166)

(\*\*) Other related parties include those associated with the Bank's Board of Directors, Board of Supervisors, and Board of Management, as well as enterprises controlled directly or indirectly by these individuals that hold a significant portion of voting rights or exercise substantial influence, thereby potentially exerting a significant impact on both the Bank and its subsidiary.



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## 37. RELATED PARTY TRANSACTIONS (continued)

Receivables and payables with related parties at the year-end are as follows:

<i>Related party</i>	<i>Transactions</i>	<i>Current year VND million</i>	<i>Previous year VND million</i>
Subsidiary	Term deposits	(176,000)	(79,000)
	Demand deposits	(6,090)	(3,297)
	Accrual interest expense	(441)	(246)
Member of Board of Directors, Board of Supervision, and Board of Managements	Deposits	(29,224)	(8,709)
	Loans	16	7,981
	Accrual interest expense from deposits	(148)	(17)
	Accrual interest income from loans	-	58
Other related parties	Deposits	(51,520)	(117,822)
	Loans	49,851	60,683
	Accrual interest expense from deposits	(1,453)	(3,402)
	Accrual interest income from loans	276	349
	Other receivables	-	594

## 38. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-SEPARATE STATEMENT OF FINANCIAL POSITION ITEMS BY GEOGRAPHICAL REGIONS

	<i>Domestic VND million</i>	<i>Overseas VND million</i>	<i>Total VND million</i>
<b>Assets at 31 December 2023</b>	<b>193,920,627</b>	<b>536,096</b>	<b>194,456,723</b>
Due from and loans to other credit institutions	22,055,206	536,096	22,591,302
Loans to customers - gross	141,438,441	-	141,438,441
Derivative and financial instruments (Total transaction value amount to contract)	5,764,558	-	5,764,558
Trading and investment securities - gross	24,087,622	-	24,087,622
Long-term investments - gross	574,800	-	574,800
<b>Liabilities at 31 December 2023</b>	<b>187,192,992</b>	<b>1,964,738</b>	<b>189,157,730</b>
Due to and borrowings from other credit institutions	23,121,424	899,938	24,021,362
Due to customers	145,611,035	-	145,611,035
Grants, entrusted funds and loans exposed to risks	1,665	1,064,800	1,066,465
Valuable papers issued	18,458,868	-	18,458,868
<b>Off-separate statement of financial position commitments at 31 December 2023</b>	<b>30,656,931</b>	<b>-</b>	<b>30,656,931</b>

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 39. INFORMATION BY GEOGRAPHICAL REGIONS

The information on income and expenses of each segment by geographical area of the Bank as at 31 December 2023 and for the year then ended as follows:

	Northern VND million	Central VND million	South VND million	Total segment reported VND million	Eliminations VND million	Total/ VND million
<b>Income</b>	<b>4,161,300</b>	<b>4,797,556</b>	<b>42,337,896</b>	<b>51,296,752</b>	<b>(29,969,307)</b>	<b>21,327,445</b>
Interest income	4,120,972	4,647,114	40,539,561	49,307,647	(29,969,307)	19,338,340
Fee and commission income	27,638	72,624	1,041,225	1,141,487	-	1,141,487
Other operation income	12,690	77,818	757,110	847,618	-	847,618
<b>Expense</b>	<b>(3,570,618)</b>	<b>(3,895,471)</b>	<b>(39,680,302)</b>	<b>(47,146,391)</b>	<b>29,969,307</b>	<b>(17,177,084)</b>
Interest expense	(3,235,069)	(3,477,009)	(35,983,915)	(42,695,993)	29,969,307	(12,726,686)
Depreciation expense	(11,005)	(16,852)	(117,808)	(145,665)	-	(145,665)
Expense directly related to operation activities	(324,544)	(401,610)	(3,578,579)	(4,304,733)	-	(4,304,733)
<b>Net operating profit before provision for credit losses</b>	<b>590,682</b>	<b>902,085</b>	<b>2,657,594</b>	<b>4,150,361</b>	<b>-</b>	<b>4,150,361</b>
Provision for credit losses	(29,862)	(52,942)	(765,000)	(847,804)	-	(847,804)
<b>Profit before tax</b>	<b>560,820</b>	<b>849,143</b>	<b>1,892,594</b>	<b>3,302,557</b>	<b>-</b>	<b>3,302,557</b>

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 39. INFORMATION BY GEOGRAPHICAL REGIONS (continued)

The information on asset and liability of each segment by geographical area of the Bank as at 31 December 2023 and for the year then ended as follows:

	Northern VND million	Central VND million	South VND million	Total segment reported VND million	Eliminations VND million	Total VND million
<b>ASSETS</b>						
Cash and gold	115,002	207,755	810,212	1,132,969	-	1,132,969
Due from the State Bank of Vietnam	448	725	16,266,874	16,268,047	-	16,268,047
Due from and loans to other credit institutions	76	301	22,590,925	22,591,302	-	22,591,302
Derivatives and other financial assets	-	60	39,395	39,455	-	39,455
Loans to customers	2,630,463	10,910,468	126,353,710	139,894,641	-	139,894,641
Investment securities	-	-	24,068,777	24,068,777	-	24,068,777
Long-term Investments	32,255	140,908	574,800	574,800	-	574,800
Fixed assets	171,473	238,544	1,413,230	1,586,393	-	1,586,393
Other assets	-	-	3,479,954	3,889,971	-	3,889,971
<b>TOTAL ASSETS</b>	<b>2,949,717</b>	<b>11,498,761</b>	<b>195,597,877</b>	<b>210,046,355</b>	-	<b>210,046,355</b>
<b>LIABILITIES</b>						
Borrowings from the Government and the State Bank of Vietnam	-	-	345	345	-	345
Due to and borrowings from other credit institutions	25	2,537	24,018,800	24,021,362	-	24,021,362
Due to customers	33,834,396	23,825,628	87,951,011	145,611,035	-	145,611,035
Grants, entrusted funds and loans exposed to risks	-	-	1,066,465	1,066,465	-	1,066,465
Valuable papers issued	2,029,408	2,315,744	14,113,716	18,458,868	-	18,458,868
Other liabilities	1,158,611	769,741	3,746,646	5,674,998	-	5,674,998
<b>TOTAL LIABILITIES</b>	<b>37,022,440</b>	<b>26,913,650</b>	<b>130,896,983</b>	<b>194,833,073</b>	-	<b>194,833,073</b>



#### 40. FINANCIAL RISK MANAGEMENT

Risk is inherent in the Bank's activities and is managed through an ongoing process of identification, measurement, and monitoring, subject to risk limits and other controls. This risk management process is critical to the Bank's continuing profitability, and each individual within the Bank is accountable for risk prevention within their respective responsibilities. The Bank are exposed to credit risk, liquidity risk, and market risk (which further subdivided into trading and non-trading risks). The Bank is also subject to various operational risks.

The independent risk control process does not include business risks such as changes in the environment, technology, and industry. The Bank's policy is to monitor those business risks through its strategic planning process.

##### (i) Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks. However, each individual member is responsible for managing and monitoring risks.

##### (ii) Board of Directors

The Board of Directors is responsible for monitoring the overall risk management process within the Bank.

##### (iii) Risk Management Committee

The Risk Management Committee advises the Board of Directors in the promulgation of procedures and policies under its jurisdiction relating to risk management in the Bank's activities.

The Risk Management Committee analyses and provides warnings on potential risks that may affect the Bank's operation, along with preventive measures in the short term as well as long term.

The Risk Management Committee reviews and evaluates the appropriateness and effectiveness of the risk management of procedures and policies of the Bank, making recommendations to the Board of Directors for the improvement of procedures, policies and operational strategies.

##### (iv) Board of Supervision

The Board of Supervision has the responsibility to control the overall risk management process within the Bank.

##### (v) Internal Audit

According to the annual internal audit plan, business processes throughout the Bank is audited annually by the internal audit function. This function examines both the adequacy of the procedures and compliance with the Bank's procedures. Internal Audit discusses the results of all assessments with the Board of Directors and reports its findings and recommendations to the Board of Supervision.

##### (vi) Risk measurement and reporting systems

The Bank's risks using a method that considers both the expected loss likely to arise in normal circumstances and unexpected losses, which are estimated based on statistical models and represent the ultimate actual loss.

Monitoring and controlling of risks are primarily performed based on limits established by the Bank, in compliance with the regulations of the State Bank of Vietnam. These limits reflect the business strategy, market environment, and the level of risk tolerance of the Bank.

## 40. FINANCIAL RISK MANAGEMENT (continued)

### (vi) Risk measurement and reporting systems (continued)

Information compiled from all business activities is examined and processed to analyze, control, and identify risks at an early stage. This information is presented and explained to the Board of Management, Board of Directors, and department heads. The report includes aggregate credit exposure, credit metric forecasts, limit exceptions, liquidity ratios, and changes in risk profile. The Board of Directors assesses the appropriateness of the allowance for credit losses on a quarterly basis. Additionally, the Board of Directors receives a comprehensive risk report quarterly, which is designed to provide all necessary information for assessing and making conclusions on the risks of the Bank.

Tailored risk reports are prepared and distributed to all levels throughout the Bank, ensuring that all business departments have access to extensive, necessary, and up-to-date information.

### (vii) Risk reduction

The Bank has actively used collateral to mitigate credit risk.

### (viii) Excessive risk concentration

Concentrations arise when a number of counterparties of the Bank is engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would affect the group of customers' payment obligations or payment receipt rights when due under changes in economic, political or other conditions.

These above concentrations indicate the relative sensitivity of the Bank's performance to the developments of a particular industry or geographic allocation.

To avoid excessive concentrations of risk, the Bank's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risk are controlled and managed accordingly. Selective hedging is used within the Bank in respect of the industries and other related factors.

## 41. CREDIT RISK

Credit risk is the risk that the Bank will may experiences losses due to customers or counterparties failing to fulfill their contractual obligations.

The Bank manages and controls credit risk by setting limits on the acceptable level of risk for individual counterparties, geographical areas, and industry concentrations. They also monitor exposures in relation to these limits.

The Bank has established a credit quality review process to provide early identification of potential changes in the financial position and creditworthiness of counterparties, using both qualitative and quantitative indicators. Counterparty limits are determined through the utilization of a credit rating system, which assigns a risk rating to each counterparty. These risk ratings undergo regular revisions.

The effective interest rates on deposits with the SBV, due from and loans to other credit institutions, loans to customers and due to customers in currencies are presented in *Notes 5, 6, 8 and 16 respectively*.



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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 41. CREDIT RISK (continued)

### 41.1 Maximum exposure to credit risk before collateral held or other credit enhancements

The maximum exposures to credit risk, which are equivalent to the book values of each group of financial assets on the separate financial statements, are listed below:

	Ending balance VND million	Beginning balance VND million
<b>Credit risk exposures of off-separate statement of financial position items</b>		
Due from and loans to other credit institutions	22,591,302	23,905,527
Derivatives financial assets	39,455	104,949
Loans to customers		
- Individuals	28,125,006	26,669,441
- Corporates	113,313,435	92,868,899
Investment securities		
- Debt securities - available-for-sale	9,882,574	9,774,984
- Debt securities - held-to-maturity	999,201	1,025,605
Other financial assets	2,948,458	4,456,073
<b>Credit risk exposures of off-separate statement of financial position items</b>		
Financial guarantees	9,884,653	899,503
Letters of credit	6,116,593	7,953,409

This table presents the worst-case scenario in which the Bank will incur the maximum credit exposures as at 31 December 2023 and 31 December 2022, without considering any collateral held or credit enhancements.

### 41.2 Financial assets neither past due nor impaired

The Bank's financial assets which are neither past due nor impaired consist of loans to customers classified as Group 1 (Current) loans in accordance with Circular 11, as well as securities, receivables, and other financial assets that are not past due and do not require any provision according to Circular 48/2019/TT-BTC amended by Circular 24/2022/TT-BTC.

The Bank determines that it has the absolute capacity to fully and timely recover these financial assets in the future.

### 41.3 Financial assets past due but not impaired

The age of financial assets that are past due but not impaired as at 31 December 2023 is presented below:

	Past due				
	Less than 90 days VND million	From 91 to 180 days VND million	From 181 to 360 days VND million	More than 360 days VND million	Total VND million
Loans to customers	41,128	36,522	16,058	553,669	647,377

Loans that are overdue but not impaired are considered overdue loans, but provisions are not required as the Bank holds all collaterals in the form of counterparty deposits, real estate, movable assets, valuable papers and other types of collaterals.



**42. MARKET RISK**

**42.1 Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the fair values of financial instruments. The Bank are exposed to interest rate risk due to mismatches in maturity dates or dates of interest rate repricing for assets, liabilities, and off-statement financial instruments over a certain period. To manage this risk, the Bank employs risk management strategies to match the dates of interest rate repricing of assets and liabilities.

*Analysis of assets and liabilities based on interest rate re-pricing date*

The repricing term of the effective interest rate refers to the remaining period from the date of the separate financial statements to the nearest interest rate re-pricing date or remaining contractual term, whichever is earlier.

The following assumptions and conditions are used in analysis of the re-pricing period of interest rates for the Bank's assets and liabilities:

- ▶ Cash and gold, due from the State Bank of Vietnam, trading securities, investment securities - equity securities, derivatives financial instruments, long-term investment, other assets (including fixed assets, investment properties, and other assets), and other liabilities are classified as non-interest bearing items;
- ▶ The repricing term of investment securities – debt securities (excluding special bonds issued by VAMC), loans to customers, due from and loans to other credit institutions, grants, entrusted funds, and loans exposed to risks, borrowings from the Government and the State Bank of Vietnam, valuable papers issued, due to and borrowings from other credit institutions, and due to customers are determined as follows:
  - Items which bear fixed interest rate during the contractual term: The re-pricing term is determined based on the time to maturity from the separate statement of financial position date.
  - Items which bear floating interest rate: The re-pricing term is determined based on the time to the nearest interest rate re-pricing date from the separate statement of financial position date.

The following table presents the interest re-pricing period of the Bank's assets and liabilities as at 31 December 2023:

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 42. MARKET RISKS (continued)

### 42.1 Interest rate risk (continued)

	Interest re-pricing year							Total VND million	
	Overdue VND million	Non-interest bearing VND million	Up to 1 month VND million	1 - 3 months VND million	3 - 6 months VND million	6 - 12 months VND million	1 - 5 years VND million		Over 5 years VND million
<b>Assets</b>									
Cash and gold	-	1,132,969	-	-	-	-	-	-	1,132,969
Balances with the State Bank of Vietnam	-	16,268,047	-	-	-	-	-	-	16,268,047
Due from and loans to other credit institutions	-	289,885	19,923,417	1,478,000	900,000	-	-	-	22,591,302
Derivatives and other financial assets	-	39,455	-	-	-	-	-	-	39,455
Loans to customers - gross	8,384,787	-	42,439,546	73,879,801	7,734,533	5,592,445	3,311,920	95,409	141,438,441
Investment securities - gross	-	144,141	4,838,352	1,210,790	4,252,354	13,641,985	-	-	24,087,622
Long-term investments - gross	-	574,800	-	-	-	-	-	-	574,800
Fixed assets	-	1,586,393	-	-	-	-	-	-	1,586,393
Other assets - gross	-	3,922,994	-	-	-	-	-	-	3,922,994
<b>Total assets</b>	<b>8,384,787</b>	<b>23,958,684</b>	<b>67,201,315</b>	<b>76,568,591</b>	<b>12,886,887</b>	<b>19,234,430</b>	<b>3,311,920</b>	<b>95,409</b>	<b>211,642,023</b>
<b>Liabilities</b>									
Borrowings from the Government and the State Bank of Vietnam	-	-	345	-	-	-	-	-	345
Due to and borrowings from other credit institutions	-	-	21,365,140	1,494,214	262,007	440,201	459,800	-	24,021,362
Due to customers	-	-	45,741,604	42,126,925	37,492,178	15,253,371	4,995,532	1,425	145,611,035
Grants, entrusted funds and loans exposed to risks	-	-	243,665	72,600	750,200	-	-	-	1,066,465
Valuable papers issued	-	-	483,607	3,479,881	4,013,570	10,261,840	19,970	200,000	18,458,868
Other liabilities	-	5,674,998	-	-	-	-	-	-	5,674,998
<b>Total liabilities</b>	<b>-</b>	<b>5,674,998</b>	<b>67,834,361</b>	<b>47,173,620</b>	<b>42,517,955</b>	<b>25,955,412</b>	<b>5,475,302</b>	<b>201,425</b>	<b>194,833,073</b>
<b>On-statement of financial position interest sensitivity gap</b>	<b>8,384,787</b>	<b>18,283,686</b>	<b>(633,046)</b>	<b>29,394,971</b>	<b>(29,631,068)</b>	<b>(6,720,982)</b>	<b>(2,163,382)</b>	<b>(106,016)</b>	<b>16,808,950</b>

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 42. MARKET RISKS (continued)

### 42.1 Interest rate risk (continued)

#### Interest rate sensitivity

The Bank conducted an analysis of the sensitivity of Net interest income to changes in market interest rates for VND and USD as of 31 December 2023, as follows:

	Assumed level of change %	Effect on profit after tax VND million
<b>As at 31 December 2023</b>		
VND	0.02%	953
VND	(0.02%)	(953)
USD	0.02%	(215)
USD	(0.02%)	215

### 42.2 Currency risk

Currency risk refers to the risk of fluctuations in the value of financial instruments due to changes in foreign exchange rates.

The Bank is incorporated and operates in Vietnam, with the Vietnamese Dong (VND) as their reporting currency. The primary currency used for their transactions is also VND. Financial assets and liabilities of the Bank is denominated in VND, with some also denominated in USD, EUR, and gold. To control currency positions, the Bank has established limits. These positions are monitored on a daily basis, and hedging strategies are employed to ensure that the positions of the currencies remain within the established limits.

The exchange rates between key foreign currencies and VND at the reporting date are presented in Note 46.







# Nam A Commercial Joint Stock Bank

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (continued)  
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## 42. MARKET RISK (continued)

### 42.2 Currency risk (continued)

#### Exchange rate sensitivity

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

	Assumed level of change %	Effects on increase/(decrease) profit after tax VND million
<b>As at 31 December 2023</b>		
EUR	1%	31
EUR	(1%)	(31)
USD	1%	(17,606)
USD	(1%)	17,606
SJC	1%	10
SJC	(1%)	(10)

### 42.3 Liquidity risk

Liquidity risk is the risk which the Bank faces difficulties in meeting their financial liabilities. Liquidity risk arises when the Bank are unable to settle debt obligations on their due dates under normal or stress conditions. To manage exposure to liquidity risk, the Bank diversifies the mobilization of deposits from various sources in addition to its basic capital resources. In addition, the Bank has established policies to control liquidity assets flexibly; monitor the future cash flows and daily liquidity. The Bank has also evaluated the estimated cash flows and the availability of current collateral assets in case of obtaining more deposits.

The maturity term of assets and liabilities is the remaining period of assets and liabilities calculated from the separate statement of financial position date to the settlement date in accordance with contractual terms and conditions.

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

- ▶ Balances with the SBV are classified as demand deposits, considered within one (1) month, including compulsory deposits;
- ▶ The maturity of securities held for trading; investment securities - debt securities is calculated based on the maturity date of each kind of securities; investment securities - listed equity securities is considered within one (1) month because of their high liquidity;
- ▶ The maturity term of due to the SBV, grants, entrusted funds and loans exposed to risks, valuable papers issued, due from and loans to other credit institutions, and loans to customers is determined based on the maturity date stipulated in contracts. The actual maturity term may be altered because loan contracts are extended;
- ▶ The maturity term of long-term investments to be more than five (5) years because these investments do not have specific maturity dates;
- ▶ The maturity term of due to and borrowings from other credit institutions, derivatives, other financial liabilities and due to customers is determined based on the features of these items or the maturity date as stipulated in contracts. Vostro accounts and demand deposits are transacted as required by customers and are classified as current accounts. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In practice, these amounts may be rolled over, and therefore, may extend beyond the original maturity date;
- ▶ The maturity term of fixed assets is determined based on the remaining useful life of the asset.



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

## 42. MARKET RISK (continued)

### 42.3 Liquidity risk (continued)

The following table presents the maturity of assets and liabilities of the Bank at 31 December 2023:

	Overdue		Current					Total VND million
	Above 3 months VND million	Up to 3 months VND million	Up to 1 month VND million	1 - 3 months VND million	3 - 12 months VND million	1 - 5 years VND million	Above 5 years VND million	
<b>Assets</b>								
Cash and gold	-	-	1,132,969	-	-	-	-	1,132,969
Balances with the State Bank of Vietnam	-	-	16,268,047	-	-	-	-	16,268,047
Due from and loans to other credit institutions	-	-	19,923,417	1,478,000	1,030,844	159,241	-	22,591,302
Derivatives and other financial assets	-	-	8,859	4,726	25,870	-	-	39,455
Loans to customers - gross	2,942,438	5,442,349	4,242,592	11,867,325	59,346,122	20,900,274	36,697,341	141,438,441
Investment securities - gross	-	-	144,141	852,322	5,180,252	4,396,231	13,514,676	24,087,622
Long-term investments - gross	-	-	-	205	5,402	250,569	574,800	574,800
Fixed assets	-	-	356,475	859,674	821,594	672,548	973,742	1,586,393
Other assets - gross	-	-	1,442,194	-	-	-	126,984	3,922,994
<b>Total assets</b>	<b>2,942,438</b>	<b>5,442,349</b>	<b>43,518,694</b>	<b>15,062,252</b>	<b>66,409,884</b>	<b>26,378,863</b>	<b>51,887,543</b>	<b>211,642,023</b>
<b>Liabilities</b>								
Borrowings from the Government and the State Bank of Vietnam	-	-	-	-	345	-	-	345
Due to and borrowings from other credit institutions	-	-	21,338,967	1,478,031	680,686	523,678	-	24,021,362
Due to customers	-	-	45,741,603	42,126,925	52,745,550	4,995,532	1,425	145,611,035
Grants, entrusted funds and loans exposed to risks	-	-	-	-	137	1,066,328	-	1,066,465
Valuable papers issued	-	-	173,917	2,751,481	4,301,000	5,144,200	6,088,270	18,458,868
Other liabilities	-	-	2,066,400	2,070,342	1,432,168	105,456	632	5,674,998
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>69,320,887</b>	<b>48,426,779</b>	<b>59,159,886</b>	<b>11,835,194</b>	<b>6,090,327</b>	<b>194,833,073</b>
<b>Net liquidity gap</b>	<b>2,942,438</b>	<b>5,442,349</b>	<b>(25,802,193)</b>	<b>(33,364,527)</b>	<b>7,249,998</b>	<b>14,543,669</b>	<b>45,797,216</b>	<b>16,808,950</b>



**42. MARKET RISK (continued)**

**42.4 Market price risk**

Except for the assets and liabilities presented above, the Bank has no other market price risks that have risk level accounting for 5% or more of net profit or the value of assets, and liabilities accounting for 5% or more of total assets.

**43. OPERATING LEASE COMMITMENTS**

	<i>Ending balance VND million</i>	<i>Beginning balance VND million</i>
<b>Operating lease commitments</b>	<b>1,373,256</b>	<b>932,567</b>
<i>In which:</i>		
- Due within one year	229,089	166,299
- Due from one to five years	842,805	517,639
- Due after five years	301,362	248,629

**44. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC, which provides guidance for the adoption of the International Financial Reporting Standards on the presentation and disclosures of financial instruments in Vietnam (referred to as "Circular 210"). This circular is effective for financial years beginning on or after 1 January 2011.

Circular 210 specifically addresses the presentation and disclosures of financial instruments. Therefore, the concepts of financial assets, financial liabilities and related concepts are applied solely the supplemental presentation as requirements of Circular 210. The assets, liabilities and equity of the Bank have been recognized and measured in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the separate financial statements.

**Financial assets**

Financial assets of the Bank within the scope of Circular 210 comprise cash and gold, balances with the State Bank of Vietnam, due from and loans to other credit institutions, loans to customers, held-for-trading and investment securities, receivables, and other assets under currency derivative contracts.

According to Circular 210, financial assets are appropriately classified, for the purpose of disclosure in the separate financial statements, into one of the following categories:

► ***A financial asset at fair value through the separate income statement***

Is a financial asset that meets either of the following conditions:

- a) It is classified as held-for-trading. A financial asset is classified as held for trading, if:
  - ✓ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
  - ✓ There is evidence of recent actual pattern of short-term profit-taking; or
  - ✓ It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).
- b) Upon initial recognition, it is designated by the Bank as at fair value through the separate income statement.

**44. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES**  
(continued)

***Financial assets*** (continued)

► *Held-to-maturity investments:*

Non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank intends and is able to hold to maturity, except:

- a) Financial assets that, at the time of initial recognition, have been classified as a recognized group at their fair value through the separate statement of income;
- b) Financial assets are classified as available-for-sale;
- c) Financial assets that satisfy the definitions of loans and receivables.

► *Loans and receivables:*

Are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market, except for:

- a) Those that the Bank intend to sell immediately or in the near term, which shall be classified as held for trading, and those that the Bank upon initial recognition designate as at fair value through separate income statement;
- b) Those that the Bank designates as available for sale upon initial recognition; or
- c) Those for which the holder may not recover substantially all its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

► *Available for sale assets:*

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

- a) Loans and receivables;
- b) Held-to-maturity investments;
- c) Financial assets at fair value through separate income statement.

***Financial liabilities***

Financial liabilities of the Bank under the Circular 210 consist of borrowings from the Government and the State Bank of Vietnam, deposits, borrowings from other banks, due to customers, grants, entrusted funds, loans exposed to risks, valuable papers issued by the Bank, payables, and other liabilities under monetary derivative contracts.



**44. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES**  
(continued)

***Financial liabilities*** (continued)

According to Circular 210, financial liabilities are appropriately classified into the following categories for the purpose of disclosure in the separate financial statements:

► ***Financial liabilities at fair value through separate income statement***

Is a financial liability that meets either of the following conditions:

- a) It is classified as held for trading. A financial liability is deemed held for trading if:
  - ✓ It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
  - ✓ There is evidence of a recent actual pattern of short-term profit-taking; or
  - ✓ It is a derivative (except for a derivative that is a financial guarantee contract or designated and effective hedging instrument).
- b) Upon initial recognition it is designated by the Bank as at fair value through separate income statement.

► ***Financial liabilities at amortized cost.***

Financial liabilities that are not categorized as at fair value through separate income statement will be classified as financial liabilities at amortized cost.

***Offsetting financial assets and liabilities***

Financial assets and financial liabilities are offset and reported at the net amount in the separate statement of financial position if, and only if, the Bank has an enforceable legal right to offset financial assets against financial liabilities and the Bank has intention to settle on a net basis, or the realization of the assets and settlement of liabilities is made simultaneously.

***Determine the fair value of financial instruments***

The fair value of cash and short-term deposits approximates their carrying value due to short term maturity of these items.

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## 44. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The carrying amount and fair value of the Bank's financial assets and liabilities are presented as at 31 December 2023 as follows:

	Carrying amount				Other assets and liabilities at amortized cost VND million	Total VND million	Fair value VND million
	Trading VND million	Held to maturity VND million	Loan and receivable VND million	Available-for-sale VND million			
<b>Financial assets</b>							
Cash and gold	-	-	1,132,969	-	-	1,132,969	1,132,969
Balances with the State Bank of Vietnam	-	-	16,268,047	-	-	16,268,047	16,268,047
Due from and loans to other credit institutions	-	-	22,591,302	-	-	22,591,302	(*)
Loans to customers	-	-	139,894,641	-	-	139,894,641	(*)
Investment securities	-	-	-	-	-	24,068,777	(*)
Derivatives and other financial assets	39,455	10,976,814	-	13,091,963	-	39,455	(*)
Long-term investments	-	-	-	74,800	-	74,800	(*)
Other financial assets	-	-	2,948,458	-	-	2,948,458	(*)
	<b>39,455</b>	<b>10,976,814</b>	<b>182,835,417</b>	<b>13,166,763</b>	-	<b>207,018,449</b>	
<b>Financial liabilities</b>							
Borrowings from the Government and the State Bank of Vietnam	-	-	-	-	345	345	(*)
Due to and borrowings from other credit institutions	-	-	-	-	24,021,362	24,021,362	(*)
Due to customers	-	-	-	-	145,611,035	145,611,035	(*)
Grants, entrusted funds and loans exposed to risks	-	-	-	-	1,066,465	1,066,465	(*)
Valuable papers issued	-	-	-	-	18,458,868	18,458,868	(*)
Other financial liabilities	-	-	-	-	4,959,060	4,959,060	(*)
	-	-	-	-	<b>194,117,135</b>	<b>194,117,135</b>	

(\*) As Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and related regulations of the State Bank of Vietnam have no specific guidance on the fair value determination, the fair value of these items cannot be determined.



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## 45. EVENTS AFTER THE SEPARATE FINANCIAL STATEMENT DATE


There have been no subsequent events arising after 31 December 2023 that requires adjustment or disclosure in the separate financial statements of the Bank.

## 46. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AT THE END OF THE YEAR

	31 December 2023 VND	31 December 2022 VND
USD	24,200.00	23,700.00
EUR	26,780.00	25,234.50
GBP	30,890.00	28,519.50
CAD	18,315.50	17,397.00
SGD	18,387.50	17,592.00
AUD	16,526.00	16,097.50
CHF	28,827.00	25,497.00
JPY	172.01	179.79
HKD	3,110.00	3,021.50
KRW	18.74	18.68
Gold SJC (ounce)	7,100,000	6,640,000

  
Ms. Tran Phuong Thao  
Head of Accounting  
Department

  
Ms. Nguyen Thi My Lan  
Chief Financial Officer cum  
Chief Accountant

  
Mr. Tran Ngoc Tam  
Chief Executive Officer

Ho Chi Minh City, Vietnam

1 March 2024

