

Nam A Commercial Joint Stock Bank

Interim consolidated financial statements

For the six-month period ended 30 June 2024



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 45th time 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 30 June 2024, 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 period and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>
Mr. Tran Ngo Phuc Vu	Chairman
Mr. Tran Ngoc Tam	Standing Vice Chairman (from 29 March 2024)
Ms. Vo Thi Tuyet Nga	Vice Chairman
Mr. Tran Khai Hoan	Member (from 29 March 2024)
Mr. Nguyen Duc Minh Tri	Member
Ms. Nguyen Thi Thanh Dao	Member
Ms. Le Thi Kim Anh	Independent Member

THE BOARD OF SUPERVISION

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

<i>Name</i>	<i>Position</i>
Mr. Nguyen Vinh Loi	Chief Supervisor
Ms. Nguyen Thuy Van	Member
Ms. Do Thi Hong Tram	Member

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 period and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>
Mr. Tran Khai Hoan	Acting Chief Executive Officer (from 30 March 2024)
Mr. Tran Ngoc Tam	Chief Executive Officer (until 29 March 2024)
Mr. Tran Khai Hoan	Standing Deputy Chief Executive Officer (until 29 March 2024)
Ms. Ho Nguyen Thuy Vy	Deputy Chief Executive Officer
Mr. Vo Hoang Hai	Deputy Chief Executive Officer
Mr. Hoang Viet Cuong	Deputy Chief Executive Officer
Mr. Nguyen Vinh Tuyen	Deputy Chief Executive Officer
Mr. Ha Huy Cuong	Deputy Chief Executive Officer
Mr. Le Anh Tu	Deputy Chief Executive Officer
Mr. Nguyen Hai Dang	Deputy Chief Executive Officer (from 1 July 2024)
Ms. Nguyen Thi My Lan	Director of Finance Division and Chief Accountant

LEGAL REPRESENTATIVE

The legal representative of the Bank during the period and at the date of this report is Mr. Tran Ngo Phuc Vu, Chairman.

Mr. Tran Khai Hoan - Acting Chief Executives Officer was authorized by Mr. Tran Ngo Phuc Vu - Chairman of the Board of Directors to sign the accompanying interim consolidated financial statements for the six-month period ended 30 June 2024 in accordance with the Power of Attorney No. 567A/2024/UQQT-NHNA dated 9 April 2024.

AUDITOR

The auditor of the Bank and its subsidiary are 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 interim consolidated financial statements of the Bank and its subsidiary for the six-month period ended 30 June 2024.

THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of the Bank is responsible for the interim consolidated financial statements of each financial period, which provide a true and fair view of the interim consolidated financial position of the Bank and its subsidiary, and the interim consolidated income statement and interim consolidated cash flows for the period. In preparing these interim consolidated 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 and its subsidiary, subject to any material departures disclosed and explained in the interim consolidated financial statements; and
- ▶ prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiary 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 interim consolidated financial position of the Bank and its subsidiary 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 its subsidiary 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 interim consolidated financial statements.

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management of the Bank hereby states that, in its opinion, the accompanying interim consolidated financial statements give a true and fair view of the interim consolidated financial position of the Bank and its subsidiary as at 30 June 2024, the interim consolidated income statement and their interim consolidated cash flows for the six-month period 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 interim consolidated financial statements.

On behalf of the Board of Management



Mr. Trần Khai Hoan
Acting Chief Executive Officer

Ho Chi Minh City, Vietnam

5 August 2024

Reference: 11542015/68418664-SX-HN

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim consolidated financial statements of Nam A Commercial Joint Stock Bank ("the Bank") and its subsidiary, as prepared on 5 August 2024, and set out on pages 6 to 77, which comprise the interim consolidated statement of financial position as at 30 June 2024, the interim consolidated income statement, the interim consolidated cash flows statement for the six-month period 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 interim consolidated financial statements of the Bank and its subsidiary in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, and the statutory requirements relevant to the preparation and presentation of the interim consolidated financial statements, and for such internal control that the Board of Management deemed necessary to enable the preparation and presentation of the interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information involves making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is substantially less than that of an audit conducted in accordance with Vietnamese Standards on Auditing, consequently, a review does not provide us with the assurance that we would become aware of all significant matters that might be identified in an audit. As a result, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not give a true and fair view, in all material respects, of the interim consolidated financial position of the Bank and its subsidiary as at 30 June 2024, and of the interim consolidated income statement, and interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions, and the statutory requirements relevant to the preparation and presentation of interim consolidated financial statements.

Ernst & Young Vietnam Limited



Vu Tien Dung
Deputy General Director
Audit Practicing Registration Certificate
No. 3221-2020-004-1

Ho Chi Minh City, Vietnam

5 August 2024

Nam A Commercial Joint Stock Bank

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

B02a/TCTD-HN

	Notes	30 June 2024 VND million	31 December 2023 VND million
ASSETS			
Cash and gold	4	1,257,771	1,132,969
Balances with the State Bank of Vietnam ("the SBV")	5	11,234,666	16,268,047
Due from and loans to other credit institutions		31,262,798	22,591,302
Due from other credit institutions	6.1	30,072,913	20,801,417
Loans to other credit institutions	6.2	1,189,885	1,789,885
Derivatives and other financial assets	7	63,665	39,455
Loans to customers		154,676,185	139,894,641
Loans to customers	8	156,571,269	141,438,441
Provision for loans to customers	9.1	(1,895,084)	(1,543,800)
Investment securities		23,674,961	24,068,777
Available-for-sale securities	10.1	13,128,148	13,110,808
Held-to-maturity securities	10.2	10,565,658	10,976,814
Provision for investment securities	10.5	(18,845)	(18,845)
Long-term investments	11	226,115	85,320
Other long-term investments		226,115	85,320
Fixed assets		1,541,397	1,586,997
<i>Tangible fixed assets</i>	12	870,361	901,069
Cost		1,575,794	1,554,014
Accumulated depreciation		(705,433)	(652,945)
<i>Financial lease fixed assets</i>	13	91,004	104,336
Cost		157,680	158,913
Accumulated depreciation		(66,676)	(54,577)
<i>Intangible fixed assets</i>	14	580,032	581,592
Cost		749,072	744,439
Accumulated amortization		(169,040)	(162,847)
Investment properties	15	30,439	15,971
Cost		30,439	15,971
Other assets		4,948,685	4,212,760
Receivables	16.1	1,252,731	1,466,711
Interest and fee receivables	16.2	3,104,419	2,076,285
Other assets	16.3	624,284	702,787
Provision for other assets	16.4	(32,749)	(33,023)
TOTAL ASSETS		228,916,682	209,896,239

Nam A Commercial Joint Stock Bank

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2024

B02a/TCTD-HN

	<i>Notes</i>	<i>30 June 2024 VND million</i>	<i>31 December 2023 VND million</i>
LIABILITIES			
Borrowings from the Government and the SBV	17	2,977,253	345
Borrowings from the Government and the SBV		2,977,253	345
Due to and borrowings from other credit institutions		31,583,174	24,021,674
Due to other credit institutions	18.1	30,365,955	22,816,967
Borrowings from other credit institutions	18.2	1,217,219	1,204,707
Due to customers	19	153,186,199	145,428,945
Grants, entrusted funds, and loans exposed to risks	20	1,070,097	1,066,465
Valuable papers issued	21	19,583,640	18,458,868
Other liabilities		3,573,176	5,678,150
Interest and fee payables	22.1	2,777,600	4,282,773
Other liabilities	22.2	795,576	1,395,377
TOTAL LIABILITIES		211,973,539	194,654,447
OWNERS' EQUITY			
Capital		10,580,866	10,580,866
Charter capital		10,580,416	10,580,416
Fund for capital expenditure		10	10
Share premium		415	415
Other		25	25
Reserves		1,452,974	1,447,731
Exchange rate revaluation		(8,569)	-
Retained earnings		4,917,872	3,213,195
TOTAL OWNERS' EQUITY	24	16,943,143	15,241,792
TOTAL LIABILITIES AND OWNERS' EQUITY		228,916,682	209,896,239

Nam A Commercial Joint Stock Bank

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2024

B02a/TCTD-HN

OFF-CONSOLIDATED STATEMENT OF FINANCIAL POSITION ITEMS

	Notes	30 June 2024 VND million	31 December 2023 VND million
Foreign exchange commitments	37	30,955,818	14,694,595
- Commitments on currency swap transaction		30,289,037	12,105,195
- Spot foreign exchange commitments – buy		358,851	2,420,000
- Spot foreign exchange commitments – sell		307,930	169,400
Letters of credit	37	1,242,733	6,114,363
Other guarantees	37	8,171,372	9,847,973
Interest and receivable fee not yet collected	38	2,292,865	2,019,149
Written-off debts	39	2,836,488	2,674,247
Assets and other documents	40	13,137,828	11,470,531
		58,637,104	46,820,858



Mr. Le Dinh Tu
Head of
Accounting Department



Ms. Nguyen Thi My Lan
Director of Finance Division
cum Chief Accountant



Mr. Tran Khai Hoan
Acting Chief Executive Officer

Ho Chi Minh City, Vietnam

5 August 2024

Nam A Commercial Joint Stock Bank

INTERIM CONSOLIDATED INCOME STATEMENT
for the six-month period ended 30 June 2024

B03a/TCTD-HN

	Notes	For the six-month period ended 30 June 2024 VND million	For the six-month period ended 30 June 2023 VND million
Interest and similar income	26	8,611,311	9,503,723
Interest and similar expense	27	(4,685,411)	(6,411,591)
Net interest and similar income		3,925,900	3,092,132
Fee and commission income		578,676	697,253
Fee and commission expense		(276,487)	(325,894)
Net fee and commission income	28	302,189	371,359
Net (loss)/gain from trading foreign currencies	29	(26,478)	44,013
Net gain from investment securities	30	70,142	6,172
Other operating income		20,565	5,958
Other operating expense		(5,247)	(5,569)
Net gain from other operating activities	31	15,318	389
TOTAL OPERATING INCOME		4,287,071	3,514,065
TOTAL OPERATING EXPENSE	32	(1,719,438)	(1,538,585)
Net profit before provision for credit losses		2,567,633	1,975,480
Provision expense for credit losses	9	(351,010)	(450,672)
PROFIT BEFORE TAX		2,216,623	1,524,808
Current corporate income tax expense	23.1	(446,703)	(308,332)
Total corporate income tax expense		(446,703)	(308,332)
PROFIT AFTER TAX		1,769,920	1,216,476
Basic earnings per share (VND/share)	25	1,673	1,093

Mr. Le Dinh Tu
Head of
Accounting Department

Ms. Nguyen Thi My Lan
Director of Finance Division
cum Chief Accountant

Mr. Tran Khai Hoan
Acting Chief Executive Officer

Ho Chi Minh City, Vietnam

5 August 2024

Nam A Commercial Joint Stock Bank

INTERIM CONSOLIDATED CASH FLOWS STATEMENT for the six-month period ended 30 June 2024

B04a/TCTD-HN

	Notes	For the six-month period ended 30 June 2024 VND million	For the six-month period ended 30 June 2023 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar income receipts		7,562,017	9,046,759
Interest and similar expense payments		(6,187,805)	(5,159,834)
Net fee and commission receipts		322,339	321,342
Net receipts from trading of securities, gold and foreign currencies		45,311	11,230
Loss from other activities		(4,824)	(4,662)
Recovery of loans previously written-off	31	18,801	4,337
Payments for employees and other operating expense		(1,524,470)	(2,165,392)
Corporate income tax paid for the period	23	(470,496)	(242,575)
Net cash flows (used in)/from operating activities before changes in operating assets and liabilities		(239,127)	1,811,205
Changes in operating assets			
Decrease/(increase) in due from and loans to other credit institutions		600,000	(2,104,739)
Decrease in investment securities		393,816	1,536,332
(Increase)/decrease in derivatives and other financial assets		(24,210)	104,949
Increase in loans to customers		(15,132,828)	(9,603,039)
Utilization of provision to write-off loans to customers, securities, and long-term investments		-	(214,682)
Decrease/(increase) in other assets		391,915	(131,091)
Changes in operating liabilities			
Increase/(decrease) in borrowings from the Government and the SBV		2,976,908	(109)
Increase/(decrease) in due to and borrowings from other credit institutions		7,572,221	(183,269)
Increase in due to customers		7,757,254	20,367,745
Increase in valuable papers issued		1,124,772	242,190
Increase in grants, entrusted funds and loans exposed to risks		3,632	230,595
Increase in derivatives and other financial liabilities		-	45,674
Decrease in other liabilities		(458,767)	(360,719)
Net cash from operating activities		4,965,586	11,741,042

Nam A Commercial Joint Stock Bank

INTERIM CONSOLIDATED CASH FLOWS STATEMENT (continued)
for the six-month period ended 30 June 2024

B04a/TCTD-HN

		<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
	<i>Notes</i>		
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		(461,930)	(213,338)
Proceeds for disposals of fixed assets		1,167	715
Proceeds for disposals of investment property		7,527	-
Payments for investments in other entities		(140,795)	-
Net cash used in investing activities		(594,031)	(212,623)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends distributed to shareholders		(69)	(130)
Net cash used in financing activities		(69)	(130)
Net change of cash for the period		4,371,486	11,528,289
Cash and cash equivalents at the beginning of the period	33	38,202,433	26,258,453
Adjusting for the effect of exchange rate changes		(8,569)	(43,612)
Cash and cash equivalents at the end of the period	33	42,565,350	37,743,130

Mr. Le Dinh Tu
Head of
Accounting Department

Ms. Nguyen Thi My Lan
Director of Finance Division
cum Chief Accountant

Mr. Tran Khai Hoan
Acting Chief Executive Officer

Ho Chi Minh City, Vietnam

5 August 2024



Nam A Commercial Joint Stock Bank

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as at 30 June 2024 and for the six-month period then ended

B05a/TCTD-HN

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 45th time 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 30 June 2024 is VND10,580,416,150,000 (as at 31 December 2023: VND10,580,416,150,000).

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 30 June 2024, the Bank has one (1) representative office, one (1) Business Center, and one hundred and thirty-nine (139) branches and transaction offices located in cities and provinces throughout Vietnam.

Subsidiary

As at 30 June 2024, 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 and its subsidiary's total number of employees as at 30 June 2024 was 5,270 persons (as at 31 December 2023: 5,357 persons).

Nam A Commercial Joint Stock Bank

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B05a/TCTD-HN

2. BASIS OF PREPARATION

2.1 *Statement of compliance*

The Board of Management of the Bank confirms that the accompanying interim consolidated 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 the interim consolidated financial statements.

2.2 *Accounting standards and system*

The interim consolidated financial statements of the Bank and its subsidiary have been prepared in accordance with the Accounting System applicable to Credit Institutions, as required under Decision No. 479/2004/QĐ-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/QĐ-NHNN; Decision No. 16/2007/QĐ-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/QĐ-NHNN, Vietnamese Accounting Standard No. 27 – Interim Financial Reporting and other Vietnamese Accounting Standard issued by the Ministry of Finance as per:

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

Accordingly, the accompanying interim consolidated 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 interim consolidated financial position, interim consolidated income statement, and interim consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

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 interim consolidated financial statements of credit institutions, that are not shown in these interim consolidated financial statements, indicate nil balance.

2.3 *Fiscal year*

The fiscal year of the Bank and its subsidiary starts on 1 January and ends on 31 December.

The interim period of the Bank and its subsidiary starts on 1 January and ends on 30 June.

Nam A Commercial Joint Stock Bank

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B05a/TCTD-HN

2. BASIS OF PREPARATION (continued)

2.4 Accounting currency

The interim consolidated financial statements are prepared in Vietnam dong ("VND"). For the presentation of the interim consolidated financial statements as at 30 June 2024, 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 interim consolidated financial statements regarding the interim consolidated financial position, interim consolidated income statement, and interim consolidated cash flows.

2.5 Basis of consolidation

The interim consolidated financial statements comprise the financial statements of the Bank and its subsidiary for the six-month period ended 30 June 2024.

Subsidiary is fully consolidated from the date of acquisition, which is the date on which the Bank and its subsidiary obtain control and continue to be consolidated until the date when such control ceases.

The interim financial statements of the Bank and its subsidiary are prepared for the same reporting period as the parent bank, using consistent accounting policies.

All intra-company balances, income, expenses, and unrealized gains or losses resulting from intra-company transactions are fully eliminated.

2.6 Assumptions and uses of estimates

The preparation of the interim consolidated 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 and its subsidiary in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Bank and its subsidiary's consolidated financial statements for the year ended 31 December 2023 and the interim consolidated financial statements for the six-month period ended 30 June 2023, except for the following change in accounting policy

Circular 06/2024/TT-NHNN ("Circular 06"), dated 18 June 2024, amends some articles of Circular 02/2023/TT-NHNN, which was issued by 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.

This Circular takes effect from 18 June 2024.

Nam A Commercial Joint Stock Bank

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

B05a/TCTD-HN

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Cash and cash equivalents*

Cash and cash equivalents include cash on hand and gold, balances with 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 investment securities with a maturity of less than three months from the purchase date, which are readily convertible into cash and do not bear the 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 period.

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

Accordingly, the Bank and its subsidiary make 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 and its subsidiary are 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 period.

The provision for credit losses of loans to customers is presented separately as 1 (one) line in the interim consolidated 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*.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Debt 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 *Debt 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, and 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, debts 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 30 June 2024 is made at 0.75% of the total outstanding loans as at 30 June 2024, excluding due from and loans to other credit institutions and loans classified as loss.

Specific provision as at 30 June 2024 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 30 June 2024. 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 rates 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%
3	Sub-standard	(a) Debts are overdue for a period of between 91 days and 180 days; or (b) Debts which the repayment terms are extended for the first time; or (c) Debts whose interests are exempted or reduced because customers do not have sufficient capability to repay all interests under credit contracts; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: <ul style="list-style-type: none"> ▪ Debts made in compliance with Clause 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or ▪ Debts made in compliance with Clause 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or ▪ Debts made in compliance with Clauses 1, 2 and 5 under Article 128 of Law on Credit Institutions. (e) Debts are required to be recovered according to regulatory inspection conclusions; or (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 (g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information.	20%

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Debt 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 *Debt classification and provision for credit losses* (continued)

Loan group		Description	Specific provision rate
4	Doubtful	<ul style="list-style-type: none"> (a) Debts are overdue for a period of between 181 days and 360 days; or (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 (c) Debts which the repayment terms are restructured for the second time; or (d) Debts are specified in point (d) of Loan group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or (e) Debts are required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection conclusions; or (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 (g) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information. 	50%
5	Loss	<ul style="list-style-type: none"> (a) Debts are overdue for a period of more than 360 days; or (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 (c) Debts of which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts of which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or (e) Debts are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts are required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or (g) Debts are required to be recovered according to 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 (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 (i) At the request of the SBV based on the inspection, supervision conclusions and relevant credit information. 	100%

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Debt 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 *Debt classification and provision for credit losses* (continued)

If a customer has more than one debt with the Bank and its subsidiary, 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 and its subsidiary must adjust the debt classification results according to the CIC list.

When the Bank and its subsidiary 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 and its subsidiary.

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

From 13 March 2020 to 30 June 2022, the Bank and its subsidiary 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 and its subsidiary 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 02/2023/TT-NHNN, which was issued by SBV on 23 April 2023 and Circular 06/2024/TT-NHNN, which was issued by SBV on 18 June 2024 amends some articles of Circular 02, 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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Debt 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* (continued)

Accordingly, the Bank and its subsidiary apply 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 31/12/2024	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.

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

The Bank and its subsidiary make 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).

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *Debt 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* (continued)

The additional specific provision (referred to as C) is made by the Bank and its subsidiary 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 2021: At least 30% of the additional specific provision must be made;
 - + 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 consolidated income statement and are used to address bad debts. According to Circular 11, the Bank and its subsidiary establish 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.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Available-for-sale securities*

3.6.1 *Classification and recognition*

Available-for-sale securities include debt and equity securities that are acquired by the Bank and its subsidiary 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 and its subsidiary are also neither the founding shareholder nor the strategic partner, and they do 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 interim consolidated 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.

3.6.2 *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 accordance with Circular 48/2019/TT-BTC (Circular 48) and Circular 24/2022/TT-BTC (Circular 24). The provision for diminution in value is recorded under "*Net gain/(loss) from investment securities*" in the interim consolidated 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 and its subsidiary shall make provisions for those bonds in accordance with Circular 11 as presented in Note 3.5.

3.7 *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 3.6.

Nam A Commercial Joint Stock Bank

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 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 investment is made when there is substantial evidence indicating a decline in the value of these investments at the interim consolidated 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 interim consolidated financial statements, as announced by the Stock Exchange, is lower than the carrying value of the securities at the end of accounting period.

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:

Level of provision for investment	=	Actual rate of charter capital (%) of the Bank and its subsidiary at an business organization at the time of making the provision	x	Parties' actual investment capital at the business organization receiving capital contribution at the time of making the provision	-	Actual equity capital of business organization at the time of making the provision
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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 expense" on the interim consolidated income statement.

3.9 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 interim consolidated 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 interim consolidated income statement.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 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 interim consolidated 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 interim consolidated 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 interim consolidated income statement in "Operating expenses" on a straight-line basis over the lease term.

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

3.11 Investment properties

Investment properties are stated at cost, including transaction costs, less accumulated depreciation and/or amortization.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Bank and its subsidiary.

Investment properties are derecognized when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognized in the interim consolidated income statement in the period of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party, or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. When reclassifying investment properties to fixed assets, the cost and the net book value of the fixed assets remain unchanged at the reclassified date.

Nam A Commercial Joint Stock Bank

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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

3.13.1 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 and its subsidiary in accordance with the regulations on recognition and use of provision as presented in Note 3.5.

3.13.2 Other receivables

Receivables other than receivables from credit activities in the Bank's operations are recognized at historical cost and subsequently recognized 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 expense" of the interim consolidated income statement during the period.

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:

<u>Overdue period</u>	<u>Provision rate</u>
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 interim consolidated 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.

Nam A Commercial Joint Stock Bank

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 *Borrowings from the Government and the SBV; due to and borrowings from other credit institutions; due to customers; valuable papers issued; and grants, entrusted funds and loans exposed to risks*

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

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 and its subsidiary.

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 the credit quality. Accordingly, commitments and contingent liabilities are classified for management and credit quality monitoring purposes, as described in *Note 3.5*.

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

3.18 *Fiduciary assets*

Assets in entrusted assets management of the Bank and its subsidiary are not recognized as the Bank and its subsidiary's assets, hence, will not be included in the interim consolidated financial statements.

3.19 *Derivatives financial instruments*

The Bank and its subsidiary involve 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 the reporting purposes at the exchange rate on the reporting date. Realized or unrealized gains or losses are recognized in the "Exchange rate revaluation" in "Owners' equity" and will be transferred to the consolidated 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 in the interim consolidated 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 interim consolidated income statement.

Nam A Commercial Joint Stock Bank

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Derivatives financial instruments (continued)

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 in the interim consolidated statement of financial position. The difference is amortized on a straight-line basis over the life of the swap contract and recognized in the interim consolidated income statement.

3.20 Capital

3.20.1 Ordinary shares

Ordinary shares are classified as equity.

3.20.2 Share premium

The Bank and its subsidiary record 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.

3.20.3 Funds and reserves

The Bank and its subsidiary have 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.

Reserves of Nam A Bank Asset Management Company Limited

According to Circular 27/2002/TT-BTC dated 22 March 2002, the allocation of retained earnings, appropriation of profit to reserves, and utilization of reserves of the Company are implemented in accordance with the regulations applied to the Bank through which the Company was established.

Nam A Commercial Joint Stock Bank

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 *Recognition of income and expenses*

Interest income and interest expenses

Interest income and interest expenses are recognized in the interim consolidated 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 interim consolidated income statement. Suspended interest income is reversed, monitored off-statement of financial position and recognized in the interim consolidated 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 interim consolidated income statement when the Bank and its subsidiary'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 interim consolidated 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 dated 07 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 but are deemed uncollectible or are not received when due, the Bank shall 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 shall 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 shall record them as income in the interim consolidated income statement.

3.22 *Corporate income tax*

Current corporate income tax

Current income tax assets and liabilities for the current and prior periods 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 interim consolidated statement of financial position date.

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

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

The tax returns of the Bank and its subsidiary 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 interim consolidated financial statements could be changed later upon final determination by the tax authorities.

Nam A Commercial Joint Stock Bank

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Foreign currency transactions

In accordance with the accounting system of the Bank and its subsidiary, 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 interim consolidated statement of financial position (*Note 49*). Income and expenses arising in foreign currencies are converted into VND at the rates that are in effect on the transaction dates. exchange rate revaluation resulting from the conversion of monetary assets and liabilities from foreign currency to VND during the period are recognized and tracked under "Exchange rate revaluation" within "Owners' Equity" in the interim consolidated statement of financial position. These differences will be transferred to the consolidated 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 interim consolidated statement of financial position if, and only if, the Bank and its subsidiary have 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 and its subsidiary by the Social Insurance Agency, which belongs to the Ministry of Labour, Invalids and Social Affairs. The Bank and its subsidiary are required to contribute to these post-employment benefits by paying social insurance premiums to the Social Insurance Agency at the rate of 17.5% of an employee's basic salary monthly, allowances and other additional payments. Besides, the Bank and its subsidiary have no further obligations for post-employee benefits.

3.25.2 Voluntary resignation benefits

Under Article 46 of Labor Code No. 45/2019/QH14, effective from 1 January 2021, the Bank and its subsidiary have 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). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month up to the resignation date.

3.25.3 Unemployment insurance

According to Circular 28/2015/TT-BLĐTBXH, which provides on 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 on guidelines for the Law on Employment in terms of unemployment insurance, the Bank and its subsidiary are obliged to pay unemployment insurance at a rate of 1% of its salary fund used for unemployment insurance purposes and required to deduct 1% of each employee's salary to pay simultaneously to the Unemployment Insurance Fund.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.26 *Earnings per share*

The Bank and its subsidiary present basic earnings per share for ordinary shares. Basic earnings per share amounts are calculated by dividing the net profit or loss after tax attributable to ordinary shareholders of the Bank and its subsidiary (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

If the shares issued during the period only change the number of shares without changing the total equity, the Bank and its subsidiary will adjust the weighted average number of ordinary shares currently circulated to the previous presented on the interim consolidated financial statements, resulting in a corresponding adjustment of the opening balance of the basic earnings per shares.

3.27 *Segment reporting*

A segment is a component determined separately by the Bank and its subsidiary, 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 and its subsidiary are derived mainly from the business segment.

3.28 *Related parties*

Parties are considered related parties of the Bank and its subsidiary 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, or when the Bank and its subsidiary 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.

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4. CASH AND GOLD

	30 June 2024 VND million	31 December 2023 VND million
Cash on hand in VND	1,112,762	1,001,030
Cash on hand in foreign currencies	144,188	130,654
Monetary gold	821	1,285
	1,257,771	1,132,969

5. BALANCES WITH THE STATE BANK OF VIETNAM ("SBV")

	30 June 2024 VND million	31 December 2023 VND million
In VND	11,172,181	16,178,399
In foreign currencies	62,485	89,648
	11,234,666	16,268,047

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

The compulsory deposit rates are as follows:

	30 June 2024 %	31 December 2023 %
<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

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5. BALANCES WITH THE STATE BANK OF VIETNAM ("SBV") (continued)

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

	30 June 2024 % p.a.	31 December 2023 % 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

	30 June 2024 VND million	31 December 2023 VND million
Demand deposits	13,283,813	9,267,817
- In VND	12,779,182	8,468,742
- In foreign currencies	504,631	799,075
Term deposits	16,789,100	11,533,600
- In VND	16,331,000	10,856,000
- In foreign currencies	458,100	677,600
	30,072,913	20,801,417

The interest rates of due from other credit institutions at the period-end are as follows:

	30 June 2024 % p.a.	31 December 2023 % p.a.
Demand deposits		
- In VND	0.00 - 1.00	0.00 - 0.60
- In foreign currencies	0.00 - 1.00	0.00 - 1.00
Term deposits		
- In VND	2.70 - 5.50	0.80 - 4.00
- In foreign currencies	5.40 - 5.50	5.10 - 5.30

6.2 Loans to other credit institutions

	30 June 2024 VND million	31 December 2023 VND million
In VND	1,189,885	1,789,885

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 (2023: 0%) with an amount of VND289,885 million (31 December 2023: VND289,885 million).

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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 to other credit institutions at the period-end are as follows:

	30 June 2024 % p.a	31 December 2023 % p.a
Loans to other credit institutions		
In VND	0.00 - 5.30	0.00 - 6.30

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

	30 June 2024 VND million	31 December 2023 VND million
Current	17,978,985	13,323,485
Term deposits	16,789,100	11,533,600
Loans	1,189,885	1,789,885

7. DERIVATIVES AND OTHER FINANCIAL ASSETS

	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
Currency derivative instruments as at 30 June 2024			
Forward contracts	5,806	274	-
Swap contracts	14,061,090	63,391	-
	14,066,896	63,665	-
Net amount		63,665	
Currency derivative instruments as at 31 December 2023			
Forward contracts	11,907	57	-
Swap contracts	5,752,651	39,398	-
	5,764,558	39,455	-
Net amount		39,455	

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8. LOANS TO CUSTOMERS

	<i>30 June 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Loans to domestic economic entities and individuals	156,521,851	141,428,637
Payments on behalf of customers	34,337	6,238
Discounted transferable instruments and valuable papers	14,917	3,402
Loans financed by grants and entrusted funds	164	164
	156,571,269	141,438,441

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

	<i>30 June 2024</i> <i>% p.a.</i>	<i>31 December 2023</i> <i>% p.a.</i>
In VND	4.80 - 24.00	3.80 - 23.50
In foreign currencies	3.00 - 5.20	3.20 - 7.30

8.1 Analysis of loans by quality

	<i>30 June 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Current	148,364,076	133,053,654
Special mention	4,190,981	5,395,665
Substandard	854,120	820,666
Doubtful	1,298,874	1,182,425
Loss	1,863,218	986,031
	156,571,269	141,438,441

8.2 Analysis of loans by original terms

	<i>30 June 2024</i> <i>VND million</i>	<i>31 December 2023</i> <i>VND million</i>
Short-term	91,629,964	77,393,620
Medium-term	21,703,806	20,841,076
Long-term	43,237,499	43,203,745
	156,571,269	141,438,441

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8. LOANS TO CUSTOMERS (continued)

8.3 Analysis of loans by type of customers and ownership

	30 June 2024		31 December 2023	
	VND million	%	VND million	%
Corporate loans	130,465,017	83.33	113,313,435	80.12
Other limited companies	71,854,778	45.89	61,289,527	43.33
Other joint stock companies	58,163,711	37.15	51,962,750	36.74
Cooperatives and inter-cooperatives	406,575	0.26	8,110	0.01
Private companies	32	0.00	32	0.00
Joint-foreign-invested enterprises	123	0.00	265	0.00
Others	39,798	0.03	52,751	0.04
Loans to individuals	26,106,252	16.67	28,125,006	19.88
	156,571,269	100.00	141,438,441	100.00

8.4 Analysis of loans by industry

	30 June 2024 VND million	31 December 2023 VND million
Agriculture, forestry, and fisheries	9,050,103	10,433,935
Mining exploration	1,417,030	811,781
Manufacturing and processing	4,910,808	3,623,355
Electricity, gas, steam, and air conditioning supply	10,443,889	11,513,182
Water supply; sewerage, waste management and remediation activities	26,410	28,715
Construction	9,437,576	10,241,206
Trading, repair of motor vehicles, motorcycles, and other vehicles	68,752,980	55,693,320
Transportation and warehousing	713,403	1,279,707
Hotels and accommodation services	17,831,194	15,730,332
Information and communication	3,117	5,464
Finance services, banking, and insurance activities	1,025,799	1,020,340
Real estate trading and consulting services	16,849,172	12,802,865
Science and technology activities	868,495	199,948
Administrative activities and supporting service	326,763	344,531
Education and training	1,041	10,913
Health and social support activities	119,160	53,620
Arts, entertainment, and recreation	2,779,154	3,683,797
Others	13,157	12,133
Activities of households as employers, undifferentiated goods and services producing activities of households for own use	12,002,018	13,949,297
	156,571,269	141,438,441

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9. PROVISION FOR CREDIT LOSSES

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

	Note	30 June 2024 VND million	31 December 2023 VND million
Provision for loans to customers	9.1	1,895,084	1,543,800
Provision for credit risk receivables	16.4	4,075	4,349
		1,899,159	1,548,149

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

	Note	For the six-month period ended 30 June 2024 VND million	For the six-month period ended 30 June 2023 VND million
Provision expense for loans	9.1	351,284	301,376
Provision expense for special bonds issued by VAMC	10.4	-	149,022
(Reversed)/charged for provision for credit risk receivables	16.4	(274)	274
		351,010	450,672

9.1 Provision for loans to customers

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

	Specific provision VND million	General provision VND million	Total VND million
31 December 2023	490,407	1,053,393	1,543,800
Provision charged to during the period	244,367	106,917	351,284
30 June 2024	734,774	1,160,310	1,895,084

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

	Specific provision VND million	General provision VND million	Total VND million
31 December 2022	359,510	884,718	1,244,228
Provision charged to during the period	228,366	73,010	301,376
Utilization of provision	(214,682)	-	(214,682)
30 June 2023	373,194	957,728	1,330,922

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10. INVESTMENT SECURITIES

10.1 Available-for-sale securities

	30 June 2024 VND million	31 December 2023 VND million
Debt securities		
Government bonds (a)	2,728,181	3,084,093
Bonds and deposit certificates issued by other domestic credit institutions (b)	9,955,826	9,582,574
Bonds issued by domestic economic entities (c)	300,000	300,000
	12,984,007	12,966,667
Equity securities		
Equity securities issued by other domestic credit institutions	103,369	103,369
Equity securities issued by domestic economic entities	40,772	40,772
	144,141	144,141
	13,128,148	13,110,808
Provision for available-for-sale securities		
Diminution provision	(16,595)	(16,595)
General provision	(2,250)	(2,250)
	(18,845)	(18,845)
	13,109,303	13,091,963

(a) Government bonds have terms ranging from fifteen (15) years to thirty (30) years and bear interest at rates ranging from 3.60% p.a. to 7.80% p.a.

(b) Bonds issued by other credit institutions have terms ranging from twenty-four (24) months to thirty-six (36) months and earn interest at rates from 5.70% p.a. to 7.30% p.a. Deposit certificates issued by other credit institutions have terms ranging from six (6) months to eleven (11) months and earn interest at rates from 3.00% p.a. to 9.20% p.a.

(c) Bonds issued by domestic economic entities have a term of three (3) years. The interest rate of 10.00% p.a. is either fixed or subject to change on a semi-annually basis.

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10. INVESTMENT SECURITIES (continued)

10.1 Available-for-sale securities (continued)

The listing status of available-for-sale securities is as follows:

	30 June 2024 VND million	31 December 2023 VND million
Debt securities		
Listed	2,728,181	3,084,093
Unlisted	10,255,826	9,882,574
	12,984,007	12,966,667
Equity securities		
Unlisted	144,141	144,141
	144,141	144,141

10.2 Held-to-maturity securities

	30 June 2024 VND million	31 December 2023 VND million
Government bonds (a)	9,359,649	9,977,613
Bonds issued by other domestic credit institutions (b)	1,206,009	999,201
	10,565,658	10,976,814

(a) These are Government bonds that have terms from ten (10) years to thirty (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 terms ranging from two (2) years to fifteen (15) years and earn interest at rates ranging from 5.50% to 8.10% p.a.

The listing status of held-to-maturity securities is as follows:

	30 June 2024 VND million	31 December 2023 VND million
Debt securities		
Listed	9,765,658	10,776,814
Unlisted	800,000	200,000
	10,565,658	10,976,814

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10. INVESTMENT SECURITIES (continued)

10.3 Analysis of securities classified as credit risk assets by quality

	30 June 2024 VND million	31 December 2023 VND million
Current	11,055,827	10,881,775

10.4 Provision for investment securities

The movement of provision for investment securities during the period are as follows:

	For the six-month period ended 30 June 2024 VND million	For the six-month period ended 30 June 2023 VND million
Beginning balance		
Available-for-sale securities	18,845	49,625
Special bond issued by VAMC	-	637,815
	18,845	687,440
	-	-
Provision charged/(reversal) in the period		
Available for sale securities	-	(18,056)
Special bonds issued by VAMC	-	149,022
	-	130,966
Ending balance		
Available for sale securities	18,845	31,569
Special bonds issued by VAMC	-	786,837
	18,845	818,406

11. LONG-TERM INVESTMENTS

Breakdown of long-term investments at cost are as follow:

	30 June 2024 VND million	31 December 2023 VND million
Beta Securities Incorporation	74,800	74,800
Other joint stock companies	151,315	10,520
	226,115	85,320

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12. TANGIBLE FIXED ASSETS

	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
Cost						
Beginning balance	782,115	450,687	259,211	42,020	19,981	1,554,014
Additions	-	3,275	13,965	490	107	17,837
Transfer from constructions in progress	-	4,084	3,295	1,309	3,707	12,395
Disposals	-	(465)	(8,750)	(341)	(129)	(9,685)
Transfer from financial lease fixed assets	-	-	1,233	-	-	1,233
Ending balance	782,115	457,581	268,954	43,478	23,666	1,575,794
Accumulated depreciation						
Beginning balance	187,767	251,452	165,630	33,629	14,467	652,945
Charges for the period	14,987	27,386	16,183	1,588	950	61,094
Transfer from financial lease fixed assets	-	-	1,079	-	-	1,079
Disposals	-	(465)	(8,750)	(341)	(129)	(9,685)
Ending balance	202,754	278,373	174,142	34,876	15,288	705,433
Net book value						
Beginning balance	594,348	199,235	93,581	8,391	5,514	901,069
Ending balance	579,361	179,208	94,812	8,602	8,378	870,361

The cost of fully depreciated tangible fixed assets that are still in use as at 30 June 2024 is VND269,475 million (31 December 2023 is VND264,993 million).

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13. FINANCE LEASES FIXED ASSETS

	<i>Vehicles</i> <i>VND million</i>
Cost	
Beginning balance	158,913
Transfer to tangible fixed assets	<u>(1,233)</u>
Ending balance	<u>157,680</u>
Accumulated depreciation	
Beginning balance	54,577
Charges for the period	13,178
Transfer to tangible fixed assets	<u>(1,079)</u>
Ending balance	<u>66,676</u>
Net book value	
Beginning balance	<u>104,336</u>
Ending balance	<u>91,004</u>

The Bank and its subsidiary lease some motor vehicles under various finance lease agreements. At the end of the lease term, the Bank and its subsidiary have the option to purchase the motor vehicles.

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14. INTANGIBLE FIXED ASSETS

	Definite term land use rights VND million	Indefinite-term land use rights VND million	Computer software VND million	Total VND million
Cost				
Beginning balance	205,587	356,378	182,474	744,439
Additions	-	-	2,242	2,242
Transfer from construction in progress	-	-	2,391	2,391
Ending balance	205,587	356,378	187,107	749,072
Accumulated amortization				
Beginning balance	10,553	-	152,294	162,847
Charges for the period	3,184	-	3,009	6,193
Ending balance	13,737	-	155,303	169,040
Net book value				
Beginning balance	195,034	356,378	30,180	581,592
Ending balance	191,850	356,378	31,804	580,032

The cost of fully depreciated intangible fixed assets that are still in use as at 30 June 2024 is VND140,415 million (31 December 2023 is VND140,415 million).

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15. INVESTMENT PROPERTIES

Investment properties, including land use rights with indefinite terms and buildings, were acquired by Asset Management Limited Company - Nam A Commercial Joint Stock Bank through bidding on foreclosed assets. These properties are held for the purpose of earning rental income or for capital appreciation. However, due to the lack of information at the end of the accounting period, the Board of Directors cannot estimate the fair value of investment properties. As a result, the fair value of the investment property has not been formally assessed and determined at the reporting date.

	<i>Buildings and structures VND million</i>
Cost	
Beginning balance	15,971
Increase during the period	21,822
Disposal	(7,354)
Ending balance	30,439
Net book value	
Beginning balance	15,971
Ending balance	30,439

16. OTHER ASSETS

16.1 Receivables

	<i>30 June 2024 VND million</i>	<i>31 December 2023 VND million</i>
Constructions in progress (i)	695,564	293,571
Deposit, mortgage, pledge	154,422	140,778
Operating advances	133,819	363,904
Receivables from debt trading	89,466	89,466
Receivables in fast money transfer	69,487	515,070
Cash collateral agreement with card corporations	46,937	30,250
Receivables from card payment activities	47,302	32,639
Other receivables	15,734	1,033
	1,252,731	1,466,711

(i) Constructions in progress include:

	<i>30 June 2024 VND million</i>	<i>31 December 2023 VND million</i>
Buildings and structures	663,408	290,036
Machinery and equipment	21,150	2,367
Transportation vehicles	9,358	-
Purchase of other assets	1,648	1,168
	695,564	293,571

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16. OTHER ASSETS (continued)

16.1 Receivables (continued)

The movement of constructions in progress during the period are as follows:

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Beginning balance	293,571	531,950
Additions	431,129	195,502
Transfer to tangible fixed assets	(12,395)	(407,854)
Transfer to intangible fixed assets	(2,391)	(160,799)
Transfer to finance lease fixed assets	-	(3,275)
Transfer to instrument and tools	(4,678)	(11,373)
Transfer to prepaid and operating expenses	(9,672)	(84,359)
Ending balance	695,564	59,792

16.2 Interest and fee receivables

	<i>30 June 2024 VND million</i>	<i>31 December 2023 VND million</i>
Interest receivable from credit activities	2,424,820	1,577,705
Interest receivable from investment securities	632,862	450,910
Interest receivable from deposits	41,728	21,807
Interest receivable from swap contracts	4,032	5,684
Interest receivable from forward contracts	-	9
Fee receivables	977	20,170
	3,104,419	2,076,285

16.3 Other assets

	<i>30 June 2024 VND million</i>	<i>31 December 2023 VND million</i>
Prepaid and deferred expenses (i)	511,812	578,172
Foreclosed assets awaiting resolution (ii)	88,745	103,869
Tools and supplies	23,727	20,746
	624,284	702,787

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

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16. OTHER ASSETS (continued)

16.3 Other assets (continued)

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

	30 June 2024 VND million	31 December 2023 VND million
Shares	80,684	82,047
Real estates	8,061	21,822
	88,745	103,869

16.4 Provision for other assets

Provision for other assets includes:

	30 June 2024 VND million	31 December 2023 VND million
Provision for credit losses	4,075	4,349
General provision	-	274
Specific provision	4,075	4,075
Provision for diminution	28,674	28,674
	32,749	33,023

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

	For the six-month period ended 30 June 2024 VND million	For the six-month period ended 30 June 2023 VND million
Beginning balance	33,023	26,623
Diminution provision reversal for the period (Reversed)/charged for the general provision of debt trading	- (274)	(1,301) 274
Ending balance	32,749	25,596

17. BORROWINGS FROM THE GOVERNMENT AND THE SBV

	30 June 2024 VND million	31 December 2023 VND million
Borrowing under credit facilities	250	345
Borrowing through discount and rediscount of valuable papers	2,977,003	-
	2,977,253	345

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18. DUE TO AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

18.1 Due to other credit institutions

	30 June 2024 VND million	31 December 2023 VND million
Demand deposits	12,022,680	8,014,467
In VND	12,022,680	8,014,467
Term deposits	18,343,275	14,802,500
In VND	15,811,000	13,834,500
In foreign currencies	2,532,275	968,000
	30,365,955	22,816,967

The annual interest rates applicable to due to other credit institutions are as follows:

	30 June 2024 % p.a.	31 December 2023 % p.a.
Term deposits in VND	2.80 - 5.50	0.80 - 5.00
Term deposits in foreign currencies	5.30 - 5.60	5.30

18.2 Borrowings from other credit institutions

	30 June 2024 VND million	31 December 2023 VND million
Borrowings from other credit institutions		
In VND	54,406	65,126
Finance leases	54,406	65,126
In foreign currencies	1,162,813	1,139,581
	1,217,219	1,204,707

The annual interest rates applicable to borrowings from other credit institutions are as follows:

	30 June 2024 % p.a.	31 December 2023 % p.a.
In VND	10.00 - 11.55	8.05 - 12.05
In foreign currencies	0.75 - 5.40	0.75 - 6.38

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19. DUE TO CUSTOMERS

19.1 Analysis by type of deposits

	30 June 2024 VND million	31 December 2023 VND million
Demand deposits	9,364,496	9,997,385
Demand deposits in VND	9,099,589	9,602,907
Demand deposits in foreign currencies	233,799	364,457
Demand savings deposits in VND	30,365	29,385
Demand savings deposits in foreign currencies	743	636
Term deposits	143,459,302	134,373,843
Term deposits in VND	26,971,222	29,055,149
Term deposits in foreign currencies	73,699	102,060
Term savings deposits in VND	115,817,924	104,511,347
Term savings deposits in foreign currencies	596,457	705,287
Deposits for specific purposes	110,751	769,691
Deposits for specific purposes in VND	110,711	767,715
Deposits for specific purposes in foreign currencies	40	1,976
Margin deposits	251,650	288,026
Margin deposits in VND	250,637	288,026
Margin deposits in foreign currencies	1,013	-
	153,186,199	145,428,945

The annual interest rates applicable to due to customers are as follows:

	30 June 2024 % p.a.	31 December 2023 % p.a.
Demand deposits in VND	0.00 - 0.50	0.00 - 0.50
Demand savings deposits in VND	0.50	0.50
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 - 11.90	0.50 - 12.20
Term savings deposits in VND	0.00 - 12.00	0.50 - 13.10
Term deposits in foreign currencies	0.00	0.00
Term savings deposits in foreign currencies	0.00	0.00
Deposits for specific purposes in VND	0.00	0.20 - 1.00
Deposits for specific purposes in foreign currencies	0.00	0.00
Margin deposits in VND	0.00 - 8.70	0.00 - 10.00
Margin deposits in foreign currencies	0.00	0.00 - 0.50

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19. DUE TO CUSTOMERS (continued)

19.2 Analysis by customers and type of business

	30 June 2024 VND million	31 December 2023 VND million
Due to economic entities	28,647,945	33,231,409
Other joint stock companies	12,072,380	15,498,078
Other limited companies	5,751,078	6,631,774
One-member limited liability companies of which 100% charter capital is held by the State	5,178,796	4,156,586
Public administrative units, agencies of the Communist Party, unions, and associations	4,280,023	4,132,212
Joint-foreign-invested enterprises	357,113	616,924
State-owned companies	565,931	1,085,544
Private companies	87,603	40,197
Partnership	44,131	40,509
Cooperatives and inter-cooperatives	27,170	26,160
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	283,720	1,003,425
Due to individuals	122,232,555	110,553,797
Others	2,305,699	1,643,739
	153,186,199	145,428,945

20. GRANTS, ENTRUSTED FUNDS AND LOANS EXPOSED TO RISKS

	30 June 2024 VND million	31 December 2023 VND million
In VND	1,197	1,665
In foreign currencies (i)	1,068,900	1,064,800
	1,070,097	1,066,465

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

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21. VALUABLE PAPERS ISSUED

	30 June 2024 VND million	31 December 2023 VND million
Certificate of deposits less than 1 year	5,000,000	5,600,000
Certificate of deposits over 1 year	10,113,640	9,148,868
Bonds having term over 1 year	4,470,000	3,710,000
	19,583,640	18,458,868

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

	30 June 2024 % p.a.	31 December 2023 % p.a.
Certificate of deposits less than 1 year	3.50 - 6.50	4.90 - 9.50
Certificate of deposits over 1 year	6.80 - 9.90	5.20 - 11.70
Bonds having term over 1 year	5.30 - 9.70	4.40 - 9.70

22. OTHER LIABILITIES

22.1 Interest and fee payables

	30 June 2024 VND million	31 December 2023 VND million
Interest on saving deposits	1,736,805	2,913,772
Interest on deposits	588,390	676,464
Interest on valuable papers	416,171	662,245
Interest on borrowings	22,634	16,675
Interest on swap contracts	6,124	6,130
Interest on grants, entrusted funds	7,476	7,479
Interest on forward contracts	-	8
	2,777,600	4,282,773

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22. OTHER LIABILITIES (continued)

22.2 Other liabilities

	30 June 2024 VND million	31 December 2023 VND million
Internal payables	201,944	325,463
Payables to employees	94,154	271,985
Bonus and welfare fund (i)	107,790	53,478
External payables	593,632	1,069,914
Taxes and other payables to the State Budget	259,552	366,965
Payables to fast remittance transaction	94,105	580,478
Payments pending in payment operations	78,470	26,174
Payables related to card payment services	70,158	43,674
Cash held in trust and waiting for settlement	11,386	17,472
Other unearned income	3,881	3,222
Dividends	3,796	3,866
Union payables	960	4,183
Others	71,324	23,880
	795,576	1,395,377

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

	For the six-month period ended 30 June 2024 VND million	For the six-month period ended 30 June 2023 VND million
Beginning balance	53,478	26,145
Appropriation in period	60,000	29,607
Utilization during the period	(5,688)	(1,521)
Ending balance	107,790	54,231

23. STATUTORY OBLIGATIONS

	31 December 2023 VND million	Movement during the period		30 June 2024 VND million
		Payables VND million	Paid VND million	
Value added tax	69,135	51,293	(113,459)	6,969
Corporate income tax	269,095	446,703	(470,496)	245,302
Other taxes	28,735	102,261	(123,715)	7,281
Personal income tax	25,646	95,095	(116,136)	4,605
Withholding tax	3,089	7,021	(7,434)	2,676
License tax	-	145	(145)	-
Others	-	93	(93)	-
	366,965	600,350	(707,763)	259,552

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23. STATUTORY OBLIGATIONS (continued)

23.1 Current corporate income tax

The Bank and its subsidiary have the obligations to pay corporate income tax ("CIT") at a rate of 20% of taxable profits for the current period (previous period: 20%).

The tax returns of the Bank and its subsidiary 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 interim consolidated 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 period. Taxable income differs from profit as reported in the interim consolidate income statement because it excludes taxable income or deductible expenses from prior years due to differences between the Bank and its subsidiary'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 period.

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

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Profit before tax	2,216,623	1,524,808
At applicable CIT tax rate of 20%	443,325	304,962
<i>Adjustments to increase:</i>		
- Non-deductible expenses	3,378	3,370
Estimated CIT expenses for the period	446,703	308,332

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24. 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	Foreign currency conversion reserve VND million	Reserves of credit institutions VND million	Retained earnings VND million	Total VND million
31 December 2023	10,580,416	415	25	10	-	1,447,731	3,213,195	15,241,792
Net profit for the period	-	-	-	-	-	-	1,769,920	1,769,920
Appropriation to reserves	-	-	-	-	-	5,243	(5,243)	-
Appropriation to bonus and welfare funds	-	-	-	-	-	-	(60,000)	(60,000)
Exchange rate revaluation	-	-	-	-	(8,569)	-	-	(8,569)
30 June 2024	10,580,416	415	25	10	(8,569)	1,452,974	4,917,872	16,943,143

During the period, the Bank and its subsidiary made the development investment fund, the science and training research fund and the bonus and welfare fund according to the approval of the profit distribution plan for 2023 on 22 March 2024.

As at 26 July 2024, the Bank has successfully issued an additional 264,508,938 individual shares to increase its capital from the owner's equity source, in accordance with the Resolution of the Annual General Meeting of Shareholders in 2024. As a result, the Bank has recorded an increase in charter capital by an additional VND2,645,089,380,000, bringing from the initial VND10,580,416,150,000 to the new level of VND13,225,505,530,000. This new charter capital level has been confirmed by the competent authorities in the following documents:

- Official letter No. 4690/NHNN-TTGSNH dated 5 June 2024 from the State Bank of Vietnam approving the proposal for an increase in the charter capital of Nam A Commercial Joint Stock Bank;
- Official letter No. 4055/UBCK-QLCB dated 28 June 2024 from the State Securities Commission regarding the report on the issuance of shares to increase the equity capital from the owner's equity source of Nam A Commercial Joint Stock Bank;
- Official letter No. 4632/UBCK-QLCB dated 25 July 2024 from the State Securities Commission approving the results of the issuance of shares to increase the equity capital from the owner's equity source of Nam A Commercial Joint Stock Bank.

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24. OWNER'S EQUITY (continued)

The movement of the Bank and its subsidiary's reserves during the period 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 2023	956,706	479,086	11,939	1,447,731
Appropriation to reserves	-	-	5,243	5,243
30 June 2024	956,706	479,086	17,182	1,452,974

Details of the Bank and its subsidiary 's shares are as follows:

	<i>30 June 2024 Shares</i>	<i>31 December 2023 Shares</i>
Number of registered shares	1,058,041,615	1,058,041,615
Number of shares issued		
- Ordinary shares	1,058,041,615	1,058,041,615
Number of outstanding shares		
- Ordinary shares	1,058,041,615	1,058,041,615

25. BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit after tax for the period attributable to ordinary shareholders of the Bank and its subsidiary (after adjustments for the appropriation of bonus and welfare funds) by the weighted average number of ordinary shares outstanding during the period.

The net profit after tax used to calculate basic earnings per share for the six-month period ended 30 June 2023 has been adjusted to reflect the actual allocation of the bonus and welfare fund for the year 2023, in accordance with the resolution of the General Meeting of Shareholders on 22 March 2024.

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25. BASIC EARNINGS PER SHARE (continued)

The information for basic earnings per share calculation of the Bank and its subsidiary is as follows:

	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023 Restate</i>
Net profit attributable to ordinary shareholders of the Bank and its subsidiary (VND million)	1,769,920	1,216,476
Adjustment for appropriation to bonus and welfare funds (VND million)	-	(60,000)
Net profit attributable to ordinary shareholders for basic earnings per share calculation (VND million)	1,769,920	1,156,476
Weighted average number of outstanding ordinary shares (shares)	1,058,041,615	1,058,041,615
Basic earnings per share (VND/share)	1,673	1,093

26. INTEREST AND SIMILAR INCOME

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Interest income from loans	7,691,299	8,342,051
Interest income from investing securities	612,522	497,085
Interest income from deposit	209,577	403,798
Interest income from credit activities	57,761	212,214
Interest income from guarantee services	40,152	48,575
	8,611,311	9,503,723

27. INTEREST AND SIMILAR EXPENSE

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Interest expense on deposits	3,918,043	5,829,109
Interest expense on valuable papers	652,551	460,955
Interest expense on borrowings	105,120	108,987
Expenses for other credit activities	6,408	9,074
Interest expense on finance lease	3,289	3,466
	4,685,411	6,411,591

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28. NET FEE AND COMMISSION INCOME

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Fee and commission income	578,676	697,253
Settlement services	399,445	427,557
Account services	101,281	105,357
Property rental services	21,503	17,626
Consulting services	10,536	30,679
Asset preservation services	3,669	36,078
Insurance agency fees	1,743	42,565
Treasury services	1,219	1,608
Others	39,280	35,783
Fee and commission expenses	(276,487)	(325,894)
Settlement services	(272,152)	(320,136)
Treasury service	(1,869)	(1,673)
Consulting services	(50)	(2,396)
Others	(2,416)	(1,689)
	302,189	371,359

29. NET (LOSS)/ GAIN FROM TRADING OF FOREIGN CURRENCIES

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Income from trading of foreign currencies	69,324	146,931
Income from spot foreign exchange trading	52,584	104,060
Income from currency derivatives	16,441	42,568
Income from gold trading	299	303
Expense for trading of foreign currencies	(95,802)	(102,918)
Expense for spot foreign exchange trading	(75,063)	(29,925)
Expense for currency derivatives	(20,739)	(72,993)
	(26,478)	44,013

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30. NET GAIN FROM INVESTMENT SECURITIES

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Income from trading of investment securities	71,117	-
Expense from trading of investment securities	(975)	(11,884)
Reversed provision for available-for-sale securities	-	18,056
	70,142	6,172

31. NET GAIN FROM OTHER OPERATING ACTIVITIES

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Other operating income	20,565	5,958
Income from recovery of loans previously written-off	18,801	4,337
Net income from disposals of fixed assets	1,343	715
Other income	421	906
Other operating expense	(5,247)	(5,569)
Sponsoring expense	(1,932)	(3,378)
Other expenses	(3,315)	(2,191)
	15,318	389

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32. OPERATING EXPENSES

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Personnel expenses	868,946	796,821
- Salary and allowances	752,963	726,714
- Salary-related allowances	61,551	54,393
- Allowances and others	54,432	15,714
Depreciation expenses on fixed assets	80,465	67,636
Other operating expense	770,027	674,128
- General management expense	202,567	191,157
- Advertising, marketing, promotion, and entertainment	167,040	129,367
- Office rental	156,234	134,286
- Repair and maintenance assets	93,103	74,038
- Insurance expenses for customer deposits	92,426	81,609
- Other assets expenses	21,165	21,277
- Printing materials expenses	18,796	20,003
- Business trips expenses	11,276	7,725
- Union expenses	289	11,147
- Reversed provision for expenses (excluding provisions for credit losses and investment)	-	(1,301)
- Other expenses	7,131	4,820
	1,719,438	1,538,585

33. CASH AND CASH EQUIVALENTS

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

	<i>30 June 2024 VND million</i>	<i>31 December 2023 VND million</i>
Cash and gold	1,257,771	1,132,969
Balances with the SBV	11,234,666	16,268,047
Due from and loans to other credit institutions with terms of less than 3 months	30,072,913	20,801,417
	42,565,350	38,202,433

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34. EMPLOYEES' INCOME

	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
I. Total number of employees (persons)	5,315	4,939
II. Employees' income (VND million)		
1. Total salary	752,963	726,714
2. Bonus	5,688	350
3. Total income (1+2)	758,651	727,064
4. Average monthly salary (VND million/person)	24	25
5. Average monthly income (VND million/person)	24	25

35. TYPES AND BOOK VALUE OF COLLATERALS

35.1 Assets and valuable papers, mortgaged, pledged and discounted, re-discounted

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

	<i>30 June 2024 VND million</i>	<i>31 December 2023 VND million</i>
Real estate properties	148,446,337	146,305,613
Valuable papers	64,067,253	67,691,303
Movable assets	4,525,672	4,331,319
Other assets	74,413,256	64,549,919
	291,452,518	282,878,154

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

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

	<i>30 June 2024 VND million</i>	<i>31 December 2023 VND million</i>
Valuable papers	4,229,000	7,379,000

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36. CONTINGENT LIABILITIES AND COMMITMENTS

In the normal course of business, the Bank and its subsidiary are parties to financial instruments that are recorded as off-statement of financial position items. 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 and its subsidiary, which are not reflected out of the items recognized in the interim consolidated 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 and its subsidiary because 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 and its subsidiary 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 and its subsidiary as granting of a compulsory loan with a corresponding liability representing the financial obligation of the Bank and its subsidiary to pay the beneficiaries and to fulfil the guarantor obligation.

The Bank and its subsidiary require 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 and its subsidiary.

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 since 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 period-end are as follows:

	30 June 2024 VND million	31 December 2023 VND million
Foreign exchange commitments	30,955,818	14,694,595
- Commitments on currency swap transaction	30,289,037	12,105,195
- Spot foreign exchange commitments - buy	358,851	2,420,000
- Spot foreign exchange commitments - sell	307,930	169,400
Letters of credit	1,243,746	6,116,593
- Deferred letters of credit	1,243,746	6,116,593
Other guarantees	8,187,679	9,884,653
- Settlement guarantee	599,767	684,543
- Contract performance guarantee	219,259	231,470
- Bid guarantee	16,507	8,752
- Other guarantees	7,352,146	8,959,888
	40,387,243	30,695,841
Less: Margin deposits	(17,320)	(38,910)
Contingent liabilities and commitments	40,369,923	30,656,931

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37. INTEREST AND FEE RECEIVABLE BUT NOT YET COLLECTED

Details of outstanding interest and fee receivable but not yet collected at the period-end are as follows:

	30 June 2024 VND million	31 December 2023 VND million
Interest but not yet collected	<u>2,292,865</u>	<u>2,019,149</u>

38. WRITTEN-OFF DEBTS

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

	30 June 2024 VND million	31 December 2023 VND million
Written-off debts under monitoring	2,835,883	2,673,642
Principal	1,720,498	1,735,034
Interest	1,115,385	938,608
Others	605	605
	<u>2,836,488</u>	<u>2,674,247</u>

39. ASSETS AND OTHER DOCUMENTS

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

	30 June 2024 VND million	31 December 2023 VND million
Other assets kept for customers	2,164,230	2,188,093
Collateral assets received as a substitute for the fulfillment of obligations by the guarantor, pending resolution	14,379	13,702
Other valuable documents under safekeeping	10,959,219	9,268,736
	<u>13,137,828</u>	<u>11,470,531</u>

40. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other entities to which the Bank and its subsidiary are 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 and its subsidiary if:

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

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

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40. RELATED PARTY TRANSACTIONS (continued)

- (b) The party is a joint venture in which the Bank and its subsidiary are ventures (owning over 11% of the charter capital or voting share capital but is not a subsidiary of the Bank);
- (c) The party is a member of the key management personnel of the Bank and its subsidiary;
- (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).

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

- (a) Member of Board of Directors, Board of Supervision and Board of Managements

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Loan interest income	-	377
Interest expense on deposits	(250)	(230)
Income from other activities	12	-
Salary and allowances of the Board of Directors	(16,690)	(14,476)
Remuneration for members of the Board of Directors	(7,569)	(5,400)
Remuneration for members of the Board of Supervision	(2,030)	(1,740)

- (b) Other related parties (*)

	<i>For the six-month period ended 30 June 2024 VND million</i>	<i>For the six-month period ended 30 June 2023 VND million</i>
Loan interest income	1,844	2,233
Interest expense on deposits	(2,364)	(3,304)
Income from other activities	8	2

- (*) Other related parties include those associated with the Bank's Member of Board of Directors, Board of Supervisors and Board of Managements, businesses in which these individuals hold, directly or indirectly, a substantial portion of the voting rights or through which they can exercise significant influence over the Bank.

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40. RELATED PARTY TRANSACTIONS (continued)

Receivables and payables with related parties at the period-end are as follow:

<i>Related party</i>	<i>Transactions</i>	<i>30 June 2024 VND million</i>	<i>31 December 2023 VND million</i>
Member of Board of Directors, Board of Supervision and Board of Managements	Deposits	(170,012)	(29,224)
	Loans	-	16
	Accrual interest expense from deposits	(76)	(148)
Other related parties	Deposits	(47,105)	(51,520)
	Loans	46,657	49,851
	Accrual interest expense from deposits	(972)	(1,453)
	Accrual interest income from loans	198	276

41. CONCENTRATION OF ASSETS, LIABILITIES AND OFF CONSOLIDATED STATEMENT OF FINANCIAL POSITION ITEMS BY GEOGRAPHICAL REGIONS

	<i>Domestic VND million</i>	<i>Overseas VND million</i>	<i>Total VND million</i>
Assets at 30 June 2024	225,401,266	419,618	225,820,884
Due from and loans to other credit institutions	30,843,180	419,618	31,262,798
Derivatives and other financial assets (Total transaction value amount to contract)	14,066,896	-	14,066,896
Loans to customers - gross	156,571,269	-	156,571,269
Investment securities - gross	23,693,806	-	23,693,806
Long-term investments - gross	226,115	-	226,115
Liabilities at 30 June 2024	203,471,414	1,951,696	205,423,110
Due to and borrowings from other credit institutions	30,700,378	882,796	31,583,174
Due to customers	153,186,199	-	153,186,199
Grants, entrusted funds, and loans exposed to risks	1,197	1,068,900	1,070,097
Valuable papers issued	19,583,640	-	19,583,640
Off consolidated statement of financial position commitments at 30 June 2024	40,369,923	-	40,369,923

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42. INFORMATION BY GEOGRAPHICAL REGIONS

The information on income and expenses of each segment by geographical area of the Bank and its subsidiary as at 30 June 2024 and for the six-month period then ended as follows:

	Northern VND million	Central VND million	South VND million	Total segment reported VND million	Eliminations VND million	Total VND million
Income	1,591,154	1,658,884	18,128,308	21,378,346	(12,027,353)	9,350,993
Interest income	1,569,534	1,590,990	17,478,140	20,638,664	(12,027,353)	8,611,311
Fee and commission income	10,629	64,582	503,465	578,676	-	578,676
Other operation income	10,991	3,312	146,703	161,006	-	161,006
Expense	(1,384,068)	(1,404,577)	(16,022,068)	(18,810,713)	12,027,353	(6,783,360)
Interest expense	(1,177,707)	(1,165,029)	(14,370,028)	(16,712,764)	12,027,353	(4,685,411)
Depreciation expense	(6,543)	(9,510)	(64,412)	(80,465)	-	(80,465)
Expense directly related to operation activities	(199,818)	(230,038)	(1,587,628)	(2,017,484)	-	(2,017,484)
Net operating profit before provision for credit losses	207,086	254,307	2,106,240	2,567,633	-	2,567,633
Reversed/(charged) provision for credit losses	8,122	(12,141)	(346,991)	(351,010)	-	(351,010)
Profit before tax	215,208	242,166	1,759,249	2,216,623	-	2,216,623

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42. INFORMATION BY GEOGRAPHICAL REGIONS (continued)

Information on asset and liability of each segment by geographical area of the Bank and its subsidiary as at 30 June 2024 and for the six-month period then ended as follows:

	Northern VND million	Central VND million	South VND million	Total segment reported VND million	Eliminations VND million	Total VND million
ASSETS						
Cash and gold	148,981	294,200	814,590	1,257,771	-	1,257,771
Balances with the SBV	237	2,244	11,232,185	11,234,666	-	11,234,666
Due from and loans to other credit institutions	80	639	31,262,079	31,262,798	-	31,262,798
Derivatives and other financial assets	63	-	63,602	63,665	-	63,665
Loans to customers	2,740,884	10,679,550	141,255,751	154,676,185	-	154,676,185
Investment securities	-	-	23,674,961	23,674,961	-	23,674,961
Long-term investments	-	-	226,115	226,115	-	226,115
Fixed assets	46,256	154,079	1,341,062	1,541,397	-	1,541,397
Other assets	177,731	280,779	4,520,614	4,979,124	-	4,979,124
TOTAL ASSETS	3,114,232	11,411,491	214,390,959	228,916,682	-	228,916,682
LIABILITIES						
Borrowings from the Government and the SBV	-	-	2,977,253	2,977,253	-	2,977,253
Due to and borrowings from other credit institutions	25	4,831	31,578,318	31,583,174	-	31,583,174
Due to customers	39,135,350	25,218,147	88,832,702	153,186,199	-	153,186,199
Grants, entrusted funds, and loans exposed to risks	-	-	1,070,097	1,070,097	-	1,070,097
Valuable papers issued	2,128,155	2,755,480	14,700,005	19,583,640	-	19,583,640
Other liabilities	738,378	398,289	2,436,509	3,573,176	-	3,573,176
TOTAL LIABILITIES	42,001,908	28,376,747	141,594,884	211,973,539	-	211,973,539

43. FINANCIAL RISK MANAGEMENT

Risk is inherent in the activities of the Bank and its subsidiary 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 continuing profitability of the Bank and its subsidiary, and each individual within the Bank and its subsidiary is accountable for risk prevention within their respective responsibilities. The Bank and its subsidiary are exposed to credit risk, liquidity risk, and market risk (which further subdivided into trading and non-trading risks). The Bank and its subsidiary are 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 and its subsidiary's policy is to monitor those business risks through their 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 and its subsidiary.

(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 and its subsidiary's activities.

The Risk Management Committee analyses and provides warnings on potential risks that may affect the Bank and its subsidiary'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 and its subsidiary, 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 and its subsidiary.

(v) Internal Audit

According to the annual internal audit plan, business processes throughout the Bank and its subsidiary are audited annually by the internal audit function. This function examines both the adequacy of the procedures and compliance with the Bank and its subsidiary'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 and its subsidiary 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 and its subsidiary 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 and its subsidiary.

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43. 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 age. 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 conclude on the risks of the Bank and its subsidiary.

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

(vii) Risk reduction

The Bank and its subsidiary have actively used collateral to mitigate credit risk.

(viii) Excessive risk concentration

Concentrations arise when a number of counterparties of the Bank and its subsidiary are 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 and its subsidiary's performance to the developments of a particular industry or geographic allocation.

To avoid excessive concentrations of risk, the Bank and its subsidiary'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 and its subsidiary in respect of the industries and other related factors.

44. CREDIT RISK

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

The Bank and its subsidiary manage 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 such limits.

The Bank and its subsidiary have 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 use of a credit rating system, which assigns a risk rating to each counterparty. These risk ratings are subject to regular revisions.

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44. CREDIT RISK (continued)

44.1 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 interim consolidated financial statement, are listed below:

	30 June 2024 VND million	31 December 2023 VND million
Credit risk exposures of on-consolidated statement of financial position items		
Due from and loans to other credit institutions	31,262,798	22,591,302
Derivatives and other financial assets	63,665	39,455
Loans to customers		
- Individuals	26,106,252	28,125,006
- Corporates	130,465,017	113,313,435
Investment securities		
- Debt securities - available-for-sale	10,255,826	9,882,574
- Debt securities - held-to-maturity	800,000	999,201
Other financial assets	3,661,586	3,249,425
Credit risk exposures of off-consolidated statement of financial position items		
Financial guarantees	8,187,679	9,884,653
Letters of credit	1,243,746	6,116,593

This table presents the worst case in which the Bank and its subsidiary will incur the maximum credit exposures as at 30 June 2024 and 31 December 2023, without considering any collateral held or their credit enhancements.

44.2 Financial assets neither past due nor impaired

The Bank and its subsidiary'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 and its subsidiary determine that they have an absolute capacity to fully and timely recover these financial assets in the future.

44.3 Financial assets past due but not impaired

The age of financial assets past due but not impaired as at 30 June 2024 is presented below:

	Past due				
	Less than 90 days	From 91 to 180 days	From 181 to 360 days	More than 360 days	Total
	VND million	VND million	VND million	VND million	VND million
Loans to customers	708,983	85,844	142,116	489,872	1,426,815

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.

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45. MARKET RISK

45.1 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 and its subsidiary 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 and its subsidiary employ 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 interim consolidated financial statements to the nearest interest rate repricing 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 and its subsidiary's assets and liabilities:

- ▶ Cash and gold; balances with the SBV; investment securities - equity securities; derivatives financial instruments; long-term investments; other assets (including fixed assets and other assets); and other liabilities are classified as non-interest bearing items;
- ▶ The repricing term of investment securities - debt securities; 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 SBV; 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 interim consolidated 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 interim consolidated statement of financial position date.

The following table presents the interest re-pricing period of the Bank and its subsidiary's assets and liabilities as at 30 June 2024:

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45. MARKET RISKS (continued)

45.1 Interest rate risk (continued)

	Overdue VND million	Non-interest bearing VND million	Interest re-pricing period						Total 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	
Assets									
Cash and gold	-	1,257,771	-	-	-	-	-	-	1,257,771
Balances with the SBV	-	11,234,666	-	-	-	-	-	-	11,234,666
Due from with and loans to other credit institutions	-	289,885	27,473,813	2,599,100	900,000	-	-	-	31,262,798
Derivatives and other financial assets	-	63,665	-	-	-	-	-	-	63,665
Loans to customers – gross	8,207,193	-	20,178,514	23,699,850	49,731,360	36,477,705	17,805,518	471,129	156,571,269
Investment securities - gross	-	144,141	22,158	8,421,064	6,773,602	8,332,841	-	-	23,693,806
Long-term investments - gross	-	226,115	-	-	-	-	-	-	226,115
Fixed assets	-	1,541,397	-	-	-	-	-	-	1,541,397
Investment properties	-	30,439	-	-	-	-	-	-	30,439
Other assets – gross	-	4,981,434	-	-	-	-	-	-	4,981,434
Total assets	8,207,193	19,769,513	47,674,485	34,720,014	57,404,962	44,810,546	17,805,518	471,129	230,863,360
Liabilities									
Borrowings from the Government and the SBV	-	-	2,977,253	-	-	-	-	-	2,977,253
Due to and borrowings from other credit institutions	-	-	29,024,000	1,988,430	150,569	63,625	356,550	-	31,583,174
Due to customers	-	-	39,186,782	34,627,464	34,744,492	34,798,993	9,828,468	-	153,186,199
Grants, entrusted funds, and loans exposed to risks	-	-	1,197	-	738,050	330,850	-	-	1,070,097
Valuable papers issued	-	-	1,276,740	2,263,720	6,900,430	9,142,750	-	-	19,583,640
Other liabilities	-	3,573,176	-	-	-	-	-	-	3,573,176
Total liabilities	-	3,573,176	72,465,972	38,879,614	42,533,541	44,336,218	10,185,018	-	211,973,539
On-consolidated statement of financial position interest sensitivity gap	8,207,193	16,196,337	(24,791,487)	(4,159,600)	14,871,421	474,328	7,620,500	471,129	18,889,821

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45. MARKET RISKS (continued)

45.1 Interest rate risk (continued)

Interest rate sensitivity

The Bank and its subsidiaries conducted an analysis of the sensitivity of net interest income to changes in market interest rates for VND and USD as of 30 June 2024, as follows:

	Assumed level of change %	Effects on profit after tax VND million
As at 30 June 2024		
VND	0.02%	(2.931)
VND	(0.02%)	2.931
USD	0.02%	(0.524)
USD	(0.02%)	0.524

45.2 Currency risk

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

The Bank and its subsidiary are incorporated and operate in Vietnam, with the VND as its reporting currency. The primary currency used for its transaction is also VND. Financial assets and liabilities of the Bank and its subsidiary are denominated in VND, with some also denominated in USD, EUR, and gold. To control currency positions, the Bank and its subsidiary have 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 at *Note 49*.

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45. MARKET RISKS (continued)

45.2 Currency risk (continued)

The following table presents assets and liabilities in foreign currencies converted into VND as at 30 June 2024:

	EUR equivalent VND million	USD equivalent VND million	Gold equivalent VND million	Other currencies equivalent VND million	Total VND million
Assets					
Cash and gold	5,015	134,523	821	4,650	145,009
Balances with the SBV	-	62,485	-	-	62,485
Due from and loans to other credit institutions	17,881	880,303	-	64,547	962,731
Loans to customers - gross	-	1,206,309	-	-	1,206,309
Other assets – gross	-	60,956	-	-	60,956
Total assets	22,896	2,344,576	821	69,197	2,437,490
Liabilities					
Due to and borrowings from other credit institutions	-	3,695,088	-	-	3,695,088
Due to customers	6,863	896,323	-	2,565	905,751
Derivatives and other financial liabilities	-	-	-	5,532	5,532
Grants, entrusted funds, and loans exposed to risks	-	1,068,900	-	-	1,068,900
Other liabilities	126	42,838	-	9,382	52,346
Total liabilities	6,989	5,703,149	-	17,479	5,727,617
Foreign exchange position on-consolidated statement of financial position	15,907	(3,358,573)	821	51,718	(3,290,127)
Foreign exchange positions off-consolidated statement of financial position	-	48,371	-	2,551	50,922
Foreign exchange position in and off-consolidated statement of financial position	15,907	(3,310,202)	821	54,269	(3,239,205)

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45. MARKET RISK (continued)

45.2 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 and its subsidiary due to changes in exchange rates. The risk due to changes of exchange rates for other currencies of the Bank and its subsidiary is not significant.

	Assumed level of change %	Effects on profit after tax VND million
As at 30 June 2024		
EUR	1%	(26,869)
EUR	(1%)	26,869
USD	1%	127
USD	(1%)	(127)
SJC	1%	7
SJC	(1%)	(7)

45.3 Liquidity risk

Liquidity risk is the risk which the Bank and its subsidiary face difficulties in meeting their financial liabilities. Liquidity risk arises when the Bank and its subsidiary are unable to settle debt obligations on their due dates under normal or stress conditions. To manage exposure to liquidity risk, the Bank and its subsidiary diversify the mobilization of deposits from various sources in addition to its basic capital resources. In addition, the Bank and its subsidiary have established policies to control liquidity assets flexibly; monitor the future cash flows and daily liquidity. The Bank and its subsidiary have 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 interim consolidated 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 and its subsidiary's assets and liabilities:

- ▶ Balances with the SBV are classified as demand deposits, considered within one (1) month, including compulsory deposits;
- ▶ The maturity term of investment securities - debt securities is calculated based on the maturity date of each type of securities; investment securities - listed equity securities are considered within one (1) month because of their high liquidity;
- ▶ The maturity term of borrowings from the Government and 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 if loan contracts are extended;
- ▶ The maturity term of long-term investments is considered 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 and 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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45. MARKET RISK (continued)

45.3 Liquidity risk (continued)

The following table presents the maturity of assets and liabilities of the Bank as at 30 June 2024:

	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	
Assets								
Cash and gold	-	-	1,257,771	-	-	-	-	1,257,771
Balances with the SBV	-	-	11,234,666	-	-	-	-	11,234,666
Due from and loans to other credit institutions	-	-	27,473,813	2,651,179	1,059,241	78,565	-	31,262,798
Derivatives and other financial assets	-	-	15,720	50,816	-	-	-	66,536
Loans to customers - gross	4,016,213	4,190,980	2,849,260	13,880,261	71,369,534	22,493,580	37,771,441	156,571,269
Investment securities - gross	-	-	144,141	4,505,827	3,550,187	3,341,645	12,152,006	23,693,806
Long-term investments - gross	-	-	-	-	-	-	226,115	226,115
Fixed assets	-	-	356,390	974	7,268	272,353	904,412	1,541,397
Investment properties	-	-	-	-	-	-	30,439	30,439
Other assets - gross	-	-	2,007,268	789,618	1,494,986	523,692	165,870	4,981,434
Total assets	4,016,213	4,190,980	45,339,029	21,878,675	77,481,216	26,709,835	51,250,283	230,866,231
Liabilities								
Borrowings from the Government and the SBV	-	-	2,977,003	-	250	-	-	2,977,253
Due to and borrowings from other credit institutions	-	-	29,001,305	1,980,289	192,897	408,683	-	31,583,174
Due to customers	-	-	39,228,782	34,608,464	69,520,485	9,828,468	-	153,186,199
Derivatives and other financial liabilities	-	-	-	-	2,871	-	-	2,871
Grants, entrusted funds, and loans exposed to risks	-	-	-	12	254,550	815,535	-	1,070,097
Valuable papers issued	-	-	-	1,500,000	3,500,000	7,444,550	7,139,090	19,583,640
Other liabilities	-	-	1,324,285	691,097	1,372,584	185,150	60	3,573,176
Total liabilities	-	-	72,531,375	38,779,862	74,843,637	18,682,386	7,139,150	211,976,410
Net liquidity gap	4,016,213	4,190,980	(27,192,346)	(16,901,187)	2,637,579	8,027,449	44,111,133	18,889,821

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45. MARKET RISK (continued)

45.4 Market price risk

Except for the assets and liabilities presented above, the Bank and its subsidiary have 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.

46. OPERATING LEASE COMMITMENTS

	30 June 2024 VND million	31 December 2023 VND million
Operating lease commitments	1,433,408	1,373,256
<i>In which:</i>		
- Due within one year	249,916	229,089
- Due from one to five years	851,350	842,805
- Due after five years	332,142	301,362

47. SUPPLEMENTAL NOTES TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular 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 for supplemental presentation as requirements of Circular 210. The assets, liabilities, and equity of the Bank and its subsidiary 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 interim consolidated financial statements.

Financial assets

Financial assets of the Bank and its subsidiary within the scope of Circular 210 comprise cash and gold; balances with the SBV; due from and loans to other credit institutions; loans to customers; investment securities; receivables and other financial assets.

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

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

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

- 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
 - ✓ Derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument);
- It is designated by the Bank and its subsidiary as at fair value through the interim consolidated income statement upon initial recognition.

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47. 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 maturities that the Bank and its subsidiary intend and can hold to maturity, except for:

- a) Financial assets that, at the time of initial recognition, have been classified as a recognized group at their fair value through the interim consolidated statement of income;
- b) Financial assets 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 and its subsidiary intend to sell immediately or in the near term, which shall be classified as held for trading, and those that the Bank and its subsidiary, upon initial recognition, designate as at fair value through the interim consolidated income statement;
- b) Those that the Bank and its subsidiary designate 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 the interim consolidated income statement.

Financial liabilities

Financial liabilities of the Bank and its subsidiary under the Circular 210 consist of borrowings from the Government and the SBV; due to and borrowings from other credit institutions; due to customers; grants, entrusted funds, loans exposed to risks; valuable papers issued; payables and other financial liabilities.

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47. 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 interim consolidated financial statements:

► *Financial liabilities at fair value through interim consolidated 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
 - ✓ Derivatives (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 and its subsidiary as at fair value through the interim consolidated income statement.

► *Financial liabilities at amortized cost.*

Financial liabilities that are not categorized as at fair value through the interim consolidated 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 interim consolidated statement of financial position if, and only if, the Bank and its subsidiary have an enforceable legal right to offset financial assets against financial liabilities and the Bank and its subsidiary have the 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 the short-term maturity of these items.

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47. SUPPLEMENTARY NOTE ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The carrying amount and fair value of the Bank and its subsidiary's financial assets and liabilities are presented as at 30 June 2024 as follows:

	Carrying amount					Fair value VND million
	Trading VND million	Held to maturity VND million	Loan and receivable VND million	Available-for- sale VND million	Other assets and liabilities at amortized cost VND million	Total VND million
Financial assets						
Cash and gold	-	-	1,257,771	-	-	1,257,771
Balances with the SBV	-	-	11,234,666	-	-	11,234,666
Due from and loans to other credit institutions	-	-	31,262,798	-	-	31,262,798
Derivatives and other financial assets	63,665	-	-	-	-	63,665
Loans to customers	-	-	154,676,185	-	-	154,676,185
Investment securities	-	10,565,658	-	13,109,303	-	23,674,961
Long-term investments	-	-	-	226,115	-	226,115
Other financial assets	-	-	3,661,586	-	-	3,661,586
	63,665	10,565,658	202,093,006	13,335,418	-	226,057,747
Financial liabilities						
Borrowings from the Government and the SBV	-	-	-	-	2,977,253	2,977,253
Due to and borrowings from other credit institutions	-	-	-	-	31,583,174	31,583,174
Due to customers	-	-	-	-	153,186,199	153,186,199
Grants, entrusted funds and loans exposed to risks	-	-	-	-	1,070,097	1,070,097
Valuable papers issued	-	-	-	-	19,583,640	19,583,640
Other financial liabilities	-	-	-	-	3,036,475	3,036,475
	-	-	-	-	211,436,838	211,436,838

(*) 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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48. EVENTS AFTER THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS DATE

As at 26 July 2024, the Bank and its subsidiary have successfully issued an additional 264,508,938 individual shares to increase its capital from the owner's equity source, in accordance with the Resolution of the Annual General Meeting of Shareholders in 2024. As a result, the Bank has recorded an increase in charter capital by an additional VND2,645,089,380,000, bringing the initial VND10,580,416,150,000 to the new level of VND13,225,505,530,000.

There is no matter or circumstance that has arisen since 30 June 2024 that requires adjustment or disclosure in the interim consolidated financial statements of the Bank and its subsidiary.

49. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST VIETNAM DONG AT THE END OF THE PERIOD

	30 June 2024 VND	31 December 2023 VND
USD	25,450.00	24,200.00
EUR	27,325.50	26,780.00
GBP	32,213.50	30,890.00
CAD	18,605.50	18,315.50
SGD	18,826.00	18,387.50
AUD	17,004.50	16,526.00
CHF	28,314.50	28,827.00
JPY	158.39	172.01
HKD	3,250.00	3,110.00
KRW	18.43	18.74
Gold SJC (ounce)	7,598,000	7,100,000

Mr. Le Dinh Tu
Head of
Accounting Department

Ms. Nguyen Thi My Lan
Director of Finance Division
cum Chief Accountant

Mr. Tran Khai Hoan
Acting Chief Executive Officer

Ho Chi Minh City, Vietnam

5 August 2024