



Asia Commercial Joint Stock Bank

Consolidated interim financial statements
for the six-month period ended 30 June 2024



ASIA COMMERCIAL JOINT STOCK BANK

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

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ASIA COMMERCIAL JOINT STOCK BANK

STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of Asia Commercial Joint Stock Bank ("the Bank") is responsible for preparing the consolidated interim financial statements which give a true and fair view of the consolidated financial position of the Bank and its subsidiaries (collectively referred to as "the Group") as at 30 June 2024 and the consolidated results of its operations and of its consolidated cash flows for the six-month period then ended. In preparing these consolidated interim financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated interim financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are maintained which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable the consolidated interim financial statements to be prepared in compliance with the basis of accounting set out in Note 2 to the consolidated interim financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

I, Bui Tan Tai, on behalf of the Board of Management, hereby approve the accompanying consolidated interim financial statements as set out on pages 5 to 93 which give a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of the consolidated results of its operations and of its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and relevant statutory requirements on preparation and presentation of consolidated interim financial statements applicable to credit institutions operating in Vietnam.

On behalf of the Board of Management



Bui Tan Tai
Deputy General Director

Ho Chi Minh City, Vietnam
12 August 2024



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CONSOLIDATED INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To the Shareholders Asia Commercial Joint Stock Bank

We have reviewed the accompanying consolidated interim financial statements of Asia Commercial Joint Stock Bank (“the Bank”) and its subsidiaries (collectively referred to as “the Group”), which comprise the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and the consolidated statement of cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Bank’s Board of Management on 12 August 2024, as set out on pages 5 to 93.

The Board of Management’s Responsibility

The Bank’s Board of Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on these consolidated interim 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 consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Asia Commercial Joint Stock Bank and its subsidiaries as at 30 June 2024 and of their consolidated results of operations and their consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to interim financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Review Report No.: 24-01-00561-24-2



Nelson Rodriguez Casihan
Practicing Auditor Registration
Certificate No. 2225-2023-007-1
Deputy General Director

Tran Dinh Vinh
Practicing Auditor Registration
Certificate No. 0339-2023-007-1

Ho Chi Minh City, 12 August 2024

THE CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30.6.2024 VND million	31.12.2023 VND million
A ASSETS			
I Cash on hand, gold and gemstones	4	6,594,138	6,909,300
II Balances with the State Bank of Vietnam	5	15,724,945	18,504,814
III Deposits with and loans to other credit institutions	6	105,419,092	114,873,931
1 Deposits with other credit institutions		103,684,289	114,644,002
2 Loans to other credit institutions		1,784,803	279,929
3 Allowance for credit losses	6.3	(50,000)	(50,000)
IV Held-for-trading securities	7	6,125,105	7,177,069
1 Held-for-trading securities		6,236,053	7,323,489
2 Allowance for losses on held-for-trading securities	7.4	(110,948)	(146,420)
VI Loans to customers	9	543,853,038	482,234,900
1 Loans to customers		550,172,293	487,601,852
2 Allowance for losses on loans to customers	9.7	(6,319,255)	(5,366,952)
VIII Investment securities	10	77,089,507	73,463,347
1 Available-for-sale securities	10.1	61,663,820	44,903,768
2 Held-to-maturity securities	10.1	15,438,107	28,559,579
3 Allowance for losses on investment securities		(12,420)	-
IX Long-term investments	11	128,875	140,025
4 Other long-term investments	11.2	292,867	303,387
5 Allowance for diminution in value of long-term investments	11.3	(163,992)	(163,362)
X Fixed assets	12	4,665,559	4,762,561
1 Tangible fixed assets	12.1	3,119,424	3,317,568
a Cost		6,230,018	6,256,911
b Accumulated depreciation		(3,110,594)	(2,939,343)
3 Intangible fixed assets	12.2	1,546,135	1,444,993
a Cost		2,247,421	2,101,677
b Accumulated amortisation		(701,286)	(656,684)
XI Investment property	13	177,005	177,005
a Cost		177,005	177,005
b Accumulated depreciation		-	-
XII Other assets	14	9,901,436	10,551,637
1 Receivables	14.1	4,776,230	5,316,951
2 Accrued interest and fee receivable		3,952,299	4,282,669
3 Deferred tax assets	14.2	59,441	33,722
4 Other assets	14.3	1,258,001	1,117,080
5 Allowance for losses on other assets	14.4	(144,535)	(198,785)
TOTAL ASSETS		769,678,700	718,794,589

The notes on pages 11 to 93 are an integral part of these consolidated interim financial statements.

THE CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(continued)


		As at	
		30.6.2024	31.12.2023
		VND million	VND million
	Note		
B	LIABILITIES AND OWNERS' EQUITY		
I	Due to the Government and the State Bank of Vietnam	15,945	88
1	Deposits and borrowings from the Government and the State Bank of Vietnam	15,945	88
II	Deposits and borrowings from other credit institutions	93,760,618	89,506,662
1	Deposits from other credit institutions	77,935,170	80,719,473
2	Borrowings from other credit institutions	15,825,448	8,787,189
III	Deposits from customers	511,695,775	482,702,731
IV	Derivatives and other financial liabilities	61,832	117,126
V	Funds and entrusted investments received from the Government, international and other credit institutions	33,175	41,534
VI	Valuable papers issued	66,953,215	52,410,014
VII	Other liabilities	22,365,462	23,060,473
1	Accrued interest and fee payable	6,373,422	7,682,185
3	Other liabilities	15,992,040	15,378,288
	TOTAL LIABILITIES	694,886,022	647,838,628
VIII	OWNERS' EQUITY	74,792,678	70,955,961
1	Capital	44,938,358	39,112,283
a	Charter capital	44,666,579	38,840,504
c	Share premium	271,779	271,779
2	Reserves	11,557,435	11,557,435
3	Foreign exchange revaluation reserve	(253,241)	-
5	Retained profits	18,550,126	20,286,243
a	Net profits for the year	8,374,009	13,707,404
b	Retained profits of prior years	10,176,117	6,578,839
	TOTAL OWNERS' EQUITY	74,792,678	70,955,961
	TOTAL LIABILITIES AND OWNERS' EQUITY	769,678,700	718,794,589

The notes on pages 11 to 93 are an integral part of these consolidated interim financial statements.

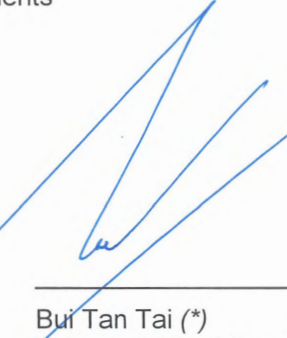
THE CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(continued)

OFF-BALANCE SHEET ITEMS

		As at	
		30.6.2024	31.12.2023
		VND million	VND million
	Note		
1	Borrowing guarantees	61,612	42,766
2	Commitments on foreign exchange transactions	152,764,446	134,953,935
	<i>Commitments on purchases of foreign currency</i>	1,779,596	1,527,131
	<i>Commitments on sales of foreign currency</i>	1,126,642	704,551
	<i>Commitments on swap transactions</i>	149,858,208	132,722,253
4	Letters of credit	3,380,090	2,183,846
5	Other guarantees	12,549,361	11,922,874
6	Other commitments	28,349,052	14,410,228
7	Overdue interest and fee receivable not collected yet	36	1,457,892
8	Written-off bad debts	37	7,238,889
9	Assets and other documents	38	1,240,341



Duong Thi Nguyet
Chief Accountant



Bui Tan Tai (*)
Deputy General Director




Tran Hung Huy
Chairman
12 August 2024




(*) *Authorised signature on financial statements according to Letter of Authorisation No. D64/UQ-BTGD.24 dated 8 August 2024 by the General Director.*

THE CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS

	Note	The six-month period ended	
		30.6.2024 VND million	30.6.2023 VND million
1 Interest and similar income	22	24,462,306	26,807,876
2 Interest and similar expenses	23	(10,629,282)	(14,347,050)
I Net interest income		13,833,024	12,460,826
3 Fee and commission income		2,703,421	2,338,044
4 Fee and commission expenses		(1,080,650)	(906,592)
II Net fee and commission income		1,622,771	1,431,452
III Net gain from trading of foreign currencies	24	659,950	765,393
IV Net gain from trading of held-for-trading securities	25	155,160	114,548
V Net gain from trading of investment securities	26	190,063	406,770
5 Other income		587,595	777,560
6 Other expenses		(239,308)	(47,433)
VI Net other income	27	348,287	730,127
VII Income from investments in other entities	28	11,207	34,555
VIII Operating expenses	29	(5,229,539)	(4,992,820)
IX Operating profit before allowance expenses for credit losses		11,590,923	10,950,851
X Allowance expenses for credit losses	30	(1,100,367)	(961,907)
XI Profit before tax		10,490,556	9,988,944
7 Current corporate income tax expense		(2,142,266)	(2,020,909)
8 Deferred corporate income tax expense		25,719	32,840
XII Total corporate income tax expense		(2,116,547)	(1,988,069)
XIII Profit after tax		8,374,009	8,000,875
XV Earnings per share (VND/share)	31	1,785	1,758


 Duong Thi Nguyet
 Chief Accountant


 Bui Tan Tai (*)
 Deputy General Director


 Tran Hung Huy
 Chairman
 12 August 2024



(*) Authorised signature on financial statements according to Letter of Authorisation No. D64/UQ-BTGD.24 dated 8 August 2024 by the General Director.

The notes on pages 11 to 93 are an integral part of these consolidated interim financial statements.

THE CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Direct method)

		<u>The six-month period ended</u>	
		30.6.2024	30.6.2023
Note		VND million	VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Interest and similar income received	24,792,675	26,593,530
02	Interest and similar expenses paid	(11,934,653)	(11,616,292)
03	Net fee and commission income received	1,339,438	1,148,119
04	Net receipts from trading activities (foreign currencies, gold and securities)	982,122	1,210,264
05	Other income received	(6,965)	56,927
06	Collection of bad debts previously written off	325,185	671,495
07	Salaries and operating expenses paid	(5,569,684)	(5,470,355)
08	Income tax paid during the period	(2,510,781)	(3,496,214)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES		7,417,337	9,097,474
Changes in operating assets			
09	(Increase)/decrease in deposits with and loans to other credit institutions	(4,262,359)	2,069,140
10	Increase in held-for-trading securities and investment securities	(2,776,514)	(439,105)
11	Increase in derivatives and other financial assets	-	(13,956)
12	Increase in loans to customers	(62,570,441)	(20,325,702)
13	Utilisation of allowance for losses	(148,064)	(838,002)
14	Decrease in other operating assets	508,547	509,545
Changes in operating liabilities			
15	Increase/(decrease) in due to the Government and the State Bank of Vietnam	15,857	(502,955)
16	Increase in deposits and borrowings from other credit institutions	4,253,956	1,116,658
17	Increase in deposits from customers	28,993,045	18,457,676
18	Increase in valuable papers issued	14,539,810	350,000
19	Decrease in funds and entrusted investments received from the Government, international and other credit institutions	(8,359)	(11,006)
20	Decrease in derivatives and other financial liabilities	(55,294)	-
21	Increase/(decrease) in other operating liabilities	1,472,295	(1,477,255)
22	Utilisation of reserves	(246)	(533)
I	NET CASH FLOWS FROM OPERATING ACTIVITIES	(12,620,430)	7,991,979

The notes on pages 11 to 93 are an integral part of these consolidated interim financial statements.

THE CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Direct method)
(continued)

	Note	<u>The six-month period ended</u>	
		<u>30.6.2024</u>	<u>30.6.2023</u>
		VND million	VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
01		(382,026)	(363,543)
02		79,796	2,000
09		11,833	32,205
II		(290,397)	(329,338)
CASH FLOWS FROM FINANCING ACTIVITIES			
04		(3,884,051)	(3,377,435)
III		(3,884,051)	(3,377,435)
IV		(16,794,878)	4,285,206
V		136,071,738	103,510,228
VI		(253,241)	(44,922)
VII	32	119,023,619	107,750,512


 Duong Thi Nguyet
 Chief Accountant


 Bui Tan Tai (*)
 Deputy General Director



 Tran Hung Huy
 Chairman
 12 August 2024

(*) Authorised signature on financial statements according to Letter of Authorisation No. D64/UQ-BTGD.24 dated 8 August 2024 by the General Director.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

These notes are an integral part of and should be read in conjunction with the accompanying consolidated interim financial statements.

1 THE REPORTING ENTITY**(a) Establishment and operation**

Asia Commercial Joint Stock Bank (“the Bank”) is a commercial joint stock bank incorporated in the Socialist Republic of Vietnam.

The Bank was established under the Operation Licence No. 0032/NH-GP issued by the State Bank of Vietnam (“the SBV”) on 24 April 1993 for a period of 50 years from the licence date. On 19 September 2018, the SBV issued the Operation Licence No. 91/GP-NHNN to replace the Operation Licence No. 0032/NH-GP. The operation period of the Bank remains unchanged in the new Operation Licence. The Bank’s shares are listed on the Ho Chi Minh Stock Exchange with the stock symbol being ACB.

The principal activities of the Bank and its subsidiaries (collectively referred to as “the Group”) are to mobilise short, medium and long-term funds in the form of term deposits, demand deposits; to receive entrusted investment and development funds from domestic credit institutions; to borrow from other financial institutions; to grant short, medium and long-term loans; to discount commercial papers, bonds and other valuable papers; to contribute capital and to invest in joint-ventures in accordance with laws and regulations; to provide settlement services to customers; to trade foreign currencies, gold; to provide trade finance services; to mobilise overseas funds and to perform other type of services when dealing with overseas counterparties in accordance with the approval of the SBV; to conduct debt factoring activities; to trade bonds; trusted activities and fiduciary activities; to provide commodity derivatives; insurance agent services; securities depository; providing clearing and settlement services for securities transactions; supervisory bank under securities legislation; to provide finance leasing; to trade securities; to provide consultancy services for securities investment; to provide securities deposit services, corporate finance consultancy services and securities underwriting services; to provide investment fund and asset management services and to provide other banking services.

(b) Charter capital

As at 30 June 2024, the Bank’s charter capital was VND44,666,579,120,000 (31.12.2023: VND38,840,503,580,000). The Bank has issued 4,466,657,912 ordinary shares (31.12.2023: 3,884,050,358 ordinary shares) with a par value of VND10,000 per share.

(c) Location and operational network

The Bank’s Head Office is located at 442 Nguyen Thi Minh Khai Street, Ward 5, District 3, Ho Chi Minh City, Vietnam. As at 30 June 2024, the Bank had 1 head office, 384 branches and sub-branches nationwide (31.12.2023: 1 head office, 384 branches and sub-branches).

(d) Group structure

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

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

1 THE REPORTING ENTITY (continued)

(d) Group structure (continued)

As at 30 June 2024 and 31 December 2023, the Bank had the following subsidiaries:

Subsidiary	Operation Licence	Nature of business	Percentage of ownership and voting rights	
			30.6.2024	31.12.2023
ACB Securities Company Limited ("ACBS")	06/GPHDKD	Securities	100%	100%
Asia Commercial Bank Asset Management Company Limited ("ACBA")	0303539425	Asset management	100%	100%
Asia Commercial Bank Leasing Company Limited ("ACBL")	06/GP-NHNN	Finance leasing	100%	100%
ACB Capital Management Company Limited ("ACBC") (*)	41/UBCK-GP	Fund management	100%	100%

(*) ACBC is a wholly owned subsidiary of ACBS.

All of the subsidiaries are established in Vietnam.

(e) Number of employees

As at 30 June 2024, the Group had 13,110 employees (31.12.2023: 13,655 employees).

2 BASIS OF PREPARATION

(a) Statement of compliance

The consolidated interim financial statements are prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and relevant statutory requirements on the preparation and presentation of consolidated interim financial statements applicable to credit institutions operating in Vietnam. These standards and statutory requirements may differ in some material respects from International Financial Reporting Standards and generally accepted accounting principles and standards in other countries. Accordingly, the accompanying consolidated interim financial statements are not intended to present the consolidated financial position and the consolidated results of operations and the consolidated cash flows in accordance with generally accepted accounting principles and practices in countries or jurisdictions other than Vietnam. Furthermore, their utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices applicable to credit institutions.

(b) Basis of measurement

The consolidated interim financial statements, except for the consolidated interim statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated interim statement of cash flows is prepared using the direct method.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****2 BASIS OF PREPARATION (continued)****(c) Annual accounting period**

The annual accounting period of the Group is from 1 January to 31 December.

The consolidated interim financial statements are prepared for the six-month period ended 30 June 2024.

(d) Accounting and presentation currency

The Group's accounting currency is Vietnam Dong ("VND"). The consolidated interim financial statements are prepared and presented in VND rounded to the nearest million ("VND million").

(e) Form of records applied

The Group uses accounting software to record its transactions.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated interim financial statements.

The accounting policies that have been adopted by the Group in the preparation of these consolidated interim financial statements are consistent with those adopted in the preparation of the most recent consolidated annual financial statements.

(a) Basis of consolidation**(i) Subsidiaries**

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity in order to obtain economic benefits from its activities. The financial statements of subsidiaries are included in the consolidated interim financial statements from the date that control commences until the date that control ceases.

Where the accounting policies of subsidiaries are different from those adopted by the Bank, adjustments have been made where necessary to ensure consistency of accounting policies for consolidated interim financial statements purpose.

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated interim financial statements.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(b) Foreign currency transactions**

All transactions of the Group are recognised in original currencies. Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the reporting date. Transactions in currencies other than VND during the period have been translated into VND at rates ruling on transaction dates.

Foreign exchange differences arising from monthly revaluation of foreign currency trading position are recognised in the foreign exchange revaluation reserve on the consolidated statement of financial position at each month-end and are transferred to the consolidated statement of profit or loss at the year-end.

(c) Interest income and expenses

Interest income and expenses are recognised on an accrual basis, except for interest income from held-for-trading securities which is recognised in the consolidated statement of profit or loss upon receipt. Interest income is derecognised and recognised into off-balance sheet items when a loan becomes overdue or is not classified as Current loan as described in Note 3(g), 3(j) and 3(p) or is subject to retention of loan group as Current loan in compliance with policies of the State. Interest income from these loans is recognised in the consolidated statement of profit or loss upon receipt.

(d) Fee and commission income and expenses**(i) Fee and commission income**

Fee and commission income from settlement services, treasury services, insurance agency activities and other services are recognised in the consolidated statement of profit or loss on an accrual basis.

(ii) Revenue from securities brokerage activities

Revenue from securities brokerage activities is recognised in the consolidated statement of profit or loss when the securities transaction of the customer is completed.

(iii) Fee and commission expenses

Fee and commission expenses are recognised in the consolidated statement of profit or loss when they are incurred.

(e) Dividend income

Cash dividends are recognised in the consolidated statement of profit or loss when the Group's right to receive payment is established.

Share dividends and bonus shares are not recognised as an increase in investments corresponding with income in the consolidated statement of profit or loss. The Group only keeps record of the increase in the number of shares.

Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(f) Income and expenses from sale of debts**

Income and expenses from sale of debts are recognised in accordance with Circular No. 09/2015/TT-NHNN dated 17 July 2015 issued by the SBV regulating the debt trading activities of credit institutions, foreign banks' branches ("Circular 09") and Circular No. 18/2022/TT-NHNN issued by the SBV on 26 December 2022 on amendments to certain articles of Circular 09.

For debts recognised on the balance sheet

- Where the selling price is higher than its book value, the difference is recognised as income in the consolidated statement of profit or loss;
- Where the selling price is lower than its book value, the difference is compensated from the individual or collective indemnity (in case of the loss being determined to be caused by any individual or collective and the compensation therefore is required in accordance with regulations), from the insurance claim and from the allowance for losses which has been appropriated in expenses and the financial reserve, the remaining deficit is recognised as expenses in the consolidated statement of profit or loss.

For debts recognised as off-balance sheet items or derecognised from off-balance sheet

The proceeds from sale of debts are recognised as other income in the consolidated statement of profit or loss.

(g) Loans to customers

The accounting policies represented in this note from (i) to (vi) do not apply to loans for margin trading activities and cash advances to customers arising from securities trading services.

(i) Measurement and recognition of loans to customers

Short-term loans are those with repayment term within one year from the loan disbursement date; medium-term loans are those with repayment term over one year to five years from the loan disbursement date and long-term loans are those with repayment term of more than five years from the loan disbursement date.

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

(ii) Classification of loans to customers

Loan classification and allowance for credit losses on loans to customers are made in accordance with Circular No. 11/2021/TT-NHNN dated 30 July 2021 issued by the SBV regulating the classification of assets, credit loss allowance level, allowance method and utilisation of allowance in operation of credit institutions and foreign banks' branches ("Circular 11").

The Group obtained approval of the SBV to classify loans to customers in accordance with the qualitative method as permitted in Official letter No. 6524/NHNN-TTGSNH dated 27 August 2010.

The Group classifies loans to customers in accordance with the quantitative method as stipulated in Article 10 of Circular 11. In case where there is difference between the result of loan group classified in accordance with the qualitative method and the quantitative method then such loans to customers are required to be classified into loan group with higher level of risk.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Loans to customers (continued)

(ii) Classification of loans to customers (continued)

Loan classification in accordance with Article 11 of Circular 11

Loans to customers are classified into five loan groups based on the internal rating system as follows:

Classification per the Group's internal rating system	Classification per Circular 11
AAA, AA, A credit rating	Group 1 - Current loans
BBB, BB, B credit rating	Group 2 - Special-mentioned loans
CCC, CC credit rating	Group 3 - Sub-standard loans
C credit rating	Group 4 - Doubtful loans
D credit rating	Group 5 - Loss loans

Loan classification in accordance with Article 10 of Circular 11

Loans to customers are classified into five loan groups in accordance with the collection status and the quantitative method as stipulated in Circular 11 as follows:

Group	Overdue status
1 Current loans	(a) Current loans assessed as fully and timely recoverable, both principals and interest; or (b) Loans overdue less than 10 days and assessed as fully recoverable, both overdue principals and interest, and fully and timely recoverable, both remaining principals and interest; or (c) Loans classified into Group 1 as meeting criteria to be classified into a group with lower level of risk.
2 Special-mentioned loans	(a) Loans overdue up to 90 days, except for those specified in point (b) of Current loans and those classified into a group with higher level of risk as prescribed; or (b) Loans rescheduled for the first time and repaid on schedule, except those meeting criteria to be classified into a group with lower level of risk and those classified into a group with higher level of risk as prescribed; or (c) Loans classified into Group 2 as meeting criteria to be classified into a group with lower level of risk or loans classified into a group with higher level of risk as prescribed.
3 Sub-standard loans	(a) Loans overdue between 91 days and 180 days, except those classified into a group with higher level of risk as prescribed; or (b) Loans extended for the first time and repaid on schedule, except those meeting criteria to be classified into a group with lower level of risk and those classified into a group with higher level of risk as prescribed; or (c) Loans having interest exempted or reduced because customers are not able to pay the interest in full according to credit contracts, except those classified into a group with higher level of risk as prescribed; or



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Loans to customers (continued)

(ii) Classification of loans to customers (continued)

Loan classification in accordance with Article 10 of Circular 11 (continued)

Group		Overdue status
3	Sub-standard loans	<p>(d) Loans falling in one of the following cases that have not yet been collected within less than 30 days from the issuance date of recovery decision:</p> <ul style="list-style-type: none"> ▪ Loans having violated regulations specified in clauses 1, 3, 4, 5, 6 of Article 126 of Law on credit institutions; or ▪ Loans having violated regulations specified in clauses 1, 2, 3, 4 of Article 127 of Law on credit institutions; or ▪ Loans having violated regulations specified in clauses 1, 2, 5 of Article 128 of Law on credit institutions. <p>(e) Loans in the collection process under inspection conclusions; or</p> <p>(f) Loans recovered under premature debt recovery decisions of the Group due to customers' breach of agreements without being collected within less than 30 days from the issuance date of recovery decision; or</p> <p>(g) Loans classified into Group 3 as meeting criteria to be classified into a group with lower level of risk or loans classified into a group with higher level of risk as prescribed; or</p> <p>(h) Loans classified into Group 3 as required by the SBV corresponding to the level of risk based on inspection and supervision results and relevant credit information.</p>
4	Doubtful loans	<p>(a) Loans overdue between 181 days and 360 days, except those classified into a group with higher level of risk as prescribed; or</p> <p>(b) Loans restructured for the first time and overdue up to 90 days according to the first restructured terms, except those classified into a group with higher level of risk as prescribed; or</p> <p>(c) Loans restructured for the second time and repaid on schedule, except those meeting criteria to be classified into a group with lower level of risk and those classified into a group with higher level of risk as prescribed; or</p> <p>(d) Loans specified in point (d) of Sub-standard loans without being collected for between 30 days and 60 days from the issuance date of recovery decisions; or</p> <p>(e) Loans in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term; or</p> <p>(f) Loans recovered under premature debt recovery decisions of the Group due to customers' breach of agreements without being collected for between 30 days and 60 days from the issuance date of recovery decisions; or</p> <p>(g) Loans classified into Group 4 as meeting criteria to be classified into a group with lower level of risk or loans classified into a group with higher level of risk as prescribed; or</p> <p>(h) Loans classified into Group 4 as required by the SBV corresponding to the level of risk based on inspection and supervision results and relevant credit information.</p>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Loans to customers (continued)

(ii) Classification of loans to customers (continued)

Loan classification in accordance with Article 10 of Circular 11 (continued)

Group		Overdue status
5	Loss loans	(a) Loans overdue more than 360 days; or (b) Loans restructured for the first time and overdue from 91 days according to the first restructured terms of repayments; or (c) Loans restructured for the second time and overdue according to the second restructured terms of repayments; or (d) Loans restructured for the third time or more, except those meeting criteria to be classified into a group with lower level of risk as prescribed; or (e) Loans specified in point (d) of Sub-standard loans without being collected for more than 60 days from the issuance date of recovery decision; or (f) Loans in the collection process under inspection conclusions but being overdue for more than 60 days according to recovery term; or (g) Loans recovered under premature debt recovery decisions of the Group due to customers' breach of agreements without being collected for more than 60 days from the issuance date of recovery decisions; or (h) Loans to other credit institutions announced under special control status, or to foreign banks' branches of which capital and assets are blockaded; or (i) Loans classified into Group 5 as meeting criteria to be classified into a group with higher level of risk as prescribed; or (j) Loans classified into Group 5 as required by the SBV corresponding to the level of risk based on inspection and supervision results and relevant credit information.

For payments on behalf under off-balance sheet commitments, the Group classifies such debts based on the number of days past due since the date on which the Group performs the obligations under the commitments:

- Group 3 – Sub-standard loans: if debts are overdue less than 30 days;
- Group 4 – Doubtful loans: if debts are overdue from 30 days to less than 90 days;
- Group 5 – Loss loans: if debts are overdue 90 days or more.

Debts shall be classified into a group with lower level of risk (including Group 1) in the following cases:

Overdue debts

- Customers have made full repayment of the overdue principal and interest (including interest on overdue principal) and the principal and interest of the following payment periods, for at least three months in respect of long-term and medium-term debts and one month in respect of short-term debts, since the date the overdue principal and interest are fully repaid; and
- The Group has sufficient basis of information and documents to assess and to conclude that customers are capable of fully repaying the principal and interest in a timely manner.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Loans to customers (continued)

(ii) Classification of loans to customers (continued)

Debts shall be classified into a group with lower level of risk (including Group 1) in the following cases (continued):

Restructured debts

- Customers have made full repayment of the principal and interest under the restructured repayment term, for at least three months in respect of long-term and medium-term debts and one month in respect of short-term debts, since the date the principal and interest under the restructured repayment term are fully paid; and
- The Group has sufficient basis of information and documents to assess and to conclude that customers are capable of fully repaying the principal and interest in a timely manner.

Debts shall be classified into a group with higher level of risk in the following cases:

- Norms on profitability, solvency, ratio of debts to capital, cash flows, capability of customers to pay debts deteriorating continuously for three consecutive times of assessment and debt classification;
- Customers fail to supply fully, timely and truly information at the request of the Group for an assessment regarding the capability of customers to pay their debts;
- Debts which have been classified into Group 2, Group 3, Group 4 for one year or longer but not qualified to classify into a group with lower level of risk.
- Debts whose credit extension is administratively sanctioned as prescribed by law.

Non-performing loans are loans classified into Group 3, 4 and 5.

The Group is required to use the results of loan classification as provided by the National Credit Information Center of Vietnam ("the CIC") to classify its loans to customers into a group with higher level of risk as determined by the Group and provided by the CIC.

Where a customer owes more than one debt to the Group, and has any debt classified into a group with higher level of risk, the Group classifies the remaining debts of such customer into such group with higher level of risk.

Where the Group participates in a syndicated loan, the Group reclassifies all debts (including the outstanding syndicated loan) of the customer into the highest risk group as determined by the lenders.

(iii) Allowance for losses on loans to customers

Allowance for losses on loans to customers includes specific allowance and general allowance.

Specific allowance

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

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

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Loans to customers (continued)

(iii) Allowance for losses on loans to customers (continued)

Specific allowance (continued)

Specific allowance is calculated based on the borrower's loan balance on the last working day of each month less the discounted value of collateral assets.

Maximum discounted ratio of collateral assets is determined in accordance with Circular 11 as follows:

Type of collateral assets	Maximum discounted ratio
(a) Deposits, certificates of deposit from customers in VND at the Group	100%
(b) Government bonds, gold billets in accordance with law on gold trading activities; deposits, certificates of deposit from customers in foreign currencies at the Group	95%
(c) Municipal bonds, Government-guaranteed bonds; negotiable instruments, bills and notes, bonds issued by the Group; deposits, certificates of deposit, promissory notes and bills issued by other credit institutions: <ul style="list-style-type: none"> • With a remaining term of less than 1 year • With a remaining term of between 1 year to 5 years • With a remaining term of over 5 years 	95% 85% 80%
(d) Securities issued by other credit institutions and listed on a stock exchange	70%
(e) Securities issued by enterprises and listed on a stock exchange	65%
(f) Unlisted securities and valuable papers, except for the types of securities specified in (c), issued by other credit institutions registered for listing on a stock exchange;	50%
Unlisted securities and valuable papers, except for the types of securities specified in (c), issued by other credit institutions not registered for listing on a stock exchange	30%
(g) Unlisted securities and valuable papers issued by enterprises registered for listing on a stock exchange;	30%
Unlisted securities and valuable papers issued by enterprises not registered for listing on a stock exchange;	10%
(h) Real estates	50%
(i) Others	30%

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(g) Loans to customers (continued)****(iii) Allowance for losses on loans to customers (continued)**Specific allowance (continued)

Collateral assets with value of VND50 billion or more against loans to the Group's related parties or other parties as prescribed in Article 127 of the Law on Credit Institutions and collateral assets with value of VND200 billion or more which are movable assets, real estates and others, excluding gold billets, securities, Government bonds, municipal bonds, Government-guaranteed bonds, promissory notes, bills, certificates of deposit, must be valued by a licenced valuing organisation. Other than these cases, collateral assets are valued in accordance with the Group's internal policy and process.

Collateral assets that do not satisfy the conditions as specified in Clause 3, Article 12 of Circular 11 are deemed to have zero value.

General allowance

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

(iv) Writing off loans to customers classified as bad debts

Loans are written off at the discretion of the Bank's Risk Resolution Committee when all reasonable efforts for recovery of bad debts, including legal actions, have been exhausted.

Loans to customers are written off against allowance when loans to customers have been classified into Group 5 or when borrowers have been declared bankrupt or dissolved (for borrowers being enterprises) or borrowers are deceased or missing (for borrowers being individuals).

Loans written off against allowance are recognised as off-balance sheet items for following up and collection. The amount collected from previously written-off loans, including the amount from sales of collaterals against those loans, is recognised in the consolidated statement of profit or loss upon receipt.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(g) Loans to customers (continued)****(v) *Debt restructuring, exemption or reduction of interest, fees and retention of loan group***

Debt restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by the Covid-19 pandemic are carried out in accordance with Circular No. 01/2020/TT-NHNN dated 13 March 2020 issued by the SBV guiding credit institutions and foreign banks' branches on debt restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by the Covid-19 pandemic ("Circular 01"), Circular No. 03/2021/TT-NHNN ("Circular 03") and Circular No. 14/2021/TT-NHNN ("Circular 14") issued by the SBV on 2 April 2021 and 7 September 2021, respectively, on amendments to certain articles of Circular 01. Debt restructuring, exemption or reduction of interest, fees and retention of loan group to assist customers affected by the Covid-19 pandemic in accordance with Circular 01, Circular 03 and Circular 14 were made until 30 June 2022.

From 24 April 2023, debt restructuring and retention of loan group to assist customers facing financial difficulties in business activities and in repaying consumer loans are carried out in accordance with Circular No. 02/2023/TT-NHNN ("Circular 02") dated 23 April 2023 issued by the SBV guiding credit institutions and foreign banks' branches on debt restructuring and retention of loan group to assist customers in difficulties and Circular No. 06/2024/TT-NHNN ("Circular 06") dated 18 June 2024 issued by the SBV on amendments to certain articles of Circular 02. Accordingly, the Group shall apply debt restructuring and retention of loan group at the nearest time prior to the debt restructuring if the debt satisfies the following conditions:

- The debt was granted before 24 April 2023 under lending and finance lease agreements, and the principal and/or interest has to be repaid within the period from 24 April 2023 to 31 December 2024;
- The outstanding debt to be rescheduled is undue or overdue up to 10 days;
- The Group determines that the borrower is unable to repay the principal and/or interest on schedule under the signed agreement due to decrease in revenue or income, but is capable of fully repaying the principal and/or interest under the restructured repayment term.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Loans to customers (continued)

(vi) *Additional specific allowance for losses on loans to customers whose debts are restructured, exempted or reduced of interest and fees, retention of loan group*

The Group makes additional specific allowance for losses on loans to customers whose debts are restructured in accordance with Circular 03 and Circular 02 as follows:

Additional specific allowance is determined as follows:

Additional specific allowance = A – B

Whereas:

- A: Specific allowance made for all the outstanding debts of customers according to the loan classification regulated by Circular 11 (Note 3(g)(ii)).
- B: Specific allowance made for all the outstanding debts of customers according to the loan classification regulated by Circular 01, Circular 03, Circular 14 and Circular 02 (Note 3(g)(v)).

If the aforementioned additional specific allowance in accordance with Circular 03 is positive, the Group makes additional specific allowance as follows:

- By 31 December 2021: At least 30% of the additional specific allowance.
- By 31 December 2022: At least 60% of the additional specific allowance.
- By 31 December 2023: 100% of the additional specific allowance.

If the aforementioned additional specific allowance in accordance with Circular 02 is positive, the Group makes additional specific allowance as follows:

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

(vii) *Loans for margin trading activities and cash advances*

Measurement and recognition of loans for margin trading activities and cash advances

Cash advances are the amounts advanced to customers for their matched selling orders at the trading date. The due dates of these cash advances are within two trading days.

Loans for margin trading activities are initially recorded at cost and subsequently measured at amortised cost using the effective interest rate method.

Allowance for losses on loans for margin trading activities

Loans for margin trading activities are provided for impairment loss when there is any objective evidence of impairment. Allowance for losses on loans for margin trading activities is determined at the difference of market value of collaterals and the carrying value of loans for margin trading at the reporting date.



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Off-balance sheet commitments

Off-balance sheet commitments consist of guarantees, settlement acceptance and irrevocable loan commitments.

Off-balance sheet commitments are classified into five groups as follows:

Group		Definition
1	Current commitments	<ul style="list-style-type: none"> ▪ Commitments which, according to the Group's assessment, could be fully settled when they fall due.
2	Special-mentioned commitments	<ul style="list-style-type: none"> ▪ Commitments which, according to the Group's assessment, could be fully settled when they fall due but there are indicators of declining capability to settle the commitments.
3	Sub-standard commitments	<ul style="list-style-type: none"> ▪ Commitments which, according to the Group's assessment, could not be fully settled when they fall due.
4	Doubtful commitments	<ul style="list-style-type: none"> ▪ Commitments which, according to the Group's assessment, are not highly probably settled by customers.
5	Loss commitments	<ul style="list-style-type: none"> ▪ Commitments which, according to the Group's assessment, could not be settled.

The classification of off-balance sheet commitments is conducted solely for risk management, credit quality supervision of credit granting activities. No provision is made for off-balance sheet commitments, except where the Group has been required to make payment under the guarantee contract, in which case the payment on behalf is classified and allowance is made in accordance with the accounting policy as described in Note 3(g).

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(i) Held-for-trading securities**Classification

Held-for-trading securities are debt securities or equity securities acquired principally for the purpose of selling in the short-term, not over one year, for the purpose of short-term profit-taking.

Recognition

The Group recognises held-for-trading securities on the date it becomes a party to the contractual provisions of these securities (trade date accounting).

Measurement

Held-for-trading securities which are promissory notes, bills, certificates of deposit and unlisted bonds are stated at cost less allowance for credit losses. Credit risk classification of these investments and allowance thereof are made in accordance with the same accounting policy applied for loans to customers as described in Note 3(g). According to Circular 11, the Group does not make general allowance for promissory notes, bills, certificates of deposit and bonds issued by other credit institutions.

Other held-for-trading securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when the market value is lower than the book value. The Group does not make allowance for diminution in value of Government bonds, Government-guaranteed bonds and municipal bonds.

Interest income during the holding period of held-for-trading securities is recognised in the consolidated statement of profit or loss upon receipt.

The allowance for credit losses and allowance for diminution in value of held-for-trading securities as described above are reversed if the recoverable amount of the securities subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Derecognition

Held-for-trading securities are derecognised when the rights to receive cash flows from these securities have expired or the Group has transferred substantially all risks and rewards of ownership.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(j) Investment securities****(i) Available-for-sale securities**Classification

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

Recognition

The Group recognises available-for-sale securities on the date it becomes a party to the contractual provisions of these securities (trade date accounting).

Measurement

Available-for-sale securities which are promissory notes, bills, certificates of deposit and unlisted bonds are stated at cost less allowance for credit losses. Credit risk classification of these investments and allowance thereof are made in accordance with the same accounting policy applied for loans to customers as described in Note 3(g). According to Circular 11, the Group does not make general allowance for promissory notes, bills, certificates of deposit and bonds issued by other credit institutions.

Other available-for-sale securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when the market value is lower than the book value. The Group does not make allowance for diminution in value of Government bonds, Government-guaranteed bonds and municipal bonds.

Premiums and discounts arising from purchases of available-for-sale debt securities are amortised to the consolidated statement of profit or loss using the straight-line method over the period from the acquisition date to the maturity date, in cases these available-for-sale debt securities would be sold before their maturity dates, the unamortised premiums and discounts are recognised fully in the consolidated statement of profit or loss at the sale date.

Post-acquisition interest income of available-for-sale securities is recognised in the consolidated statement of profit or loss on an accrual basis. Interest income received which is attributable to the period before acquisition date of available-for-sale securities is deducted from the carrying amount of available-for-sale securities.

The allowance for credit losses and allowance for diminution in value of available-for-sale securities as described above are reversed if the recoverable amount of the securities subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Derecognition

Available-for-sale securities are derecognised when the rights to receive cash flows from these securities have expired or the Group has transferred substantially all risks and rewards of ownership.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(j) Investment securities (continued)****(ii) Held-to-maturity securities**Classification

Held-to-maturity securities are debt securities with fixed or determinable payments and fixed maturities where the Group's management has the positive intention and ability to hold until maturity.

Recognition

The Group recognises held-to-maturity securities on the date it becomes a party to the contractual provisions of these securities (trade date accounting).

Measurement

Held-to-maturity securities which are promissory notes, bills, certificates of deposit and unlisted bonds are stated at cost less allowance for credit losses. Credit risk classification of these investments and allowance thereof are made in accordance with the same accounting policy applied for loans to customers as described in Note 3(g). According to Circular 11, the Group does not make general allowance for promissory notes, bills, certificates of deposit and bonds issued by other credit institutions.

Other held-to-maturity securities are stated at cost less allowance for diminution in value. Allowance for diminution in value is made based on the recoverability of held-to-maturity securities.

Premiums and discounts arising from purchases of held-to-maturity securities are amortised to the consolidated statement of profit or loss using the straight-line method over the period from the acquisition date to the maturity date.

Post-acquisition interest income of held-to-maturity securities is recognised in the consolidated statement of profit or loss on an accrual basis. Interest income received which is attributable to the period before acquisition date of held-to-maturity securities is deducted from the carrying amount of held-to-maturity securities.

The allowance for credit losses and allowance for diminution in value of held-to-maturity securities as described above are reversed if the recoverable amount of the securities subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Derecognition

Held-to-maturity securities are derecognised when the rights to receive cash flows from these securities have expired or the Group has transferred substantially all risks and rewards of ownership.



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(k) Other long-term investments**Classification

Other long-term investments are investments in equity instruments where the Group has no control or significant influence. These investments must have a period of holding, recovering or paying off more than one year.

Recognition

The Group recognises other long-term investments on the date it becomes a party to the contractual provisions of these investments (trade date accounting).

Measurement

These long-term investments are stated at cost less allowance for diminution in value. Allowance for diminution in value is made when there is an indicator of devaluation in investments. Accordingly, the allowance is equal to the difference between the total contributed capital and the owners' equity multiplied (x) by the proportion of the Group's actual contributed capital to the total contributed capital of the investors. The allowance is reversed when the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

Derecognition

Other long-term investments are derecognised when the rights to receive cash flows from these investments have expired or the Group has transferred substantially all risks and rewards of ownership.

(l) Derivative financial instruments**(i) Currency forward and currency swap contracts**

Currency forward and currency swap contracts are recognised at contract value in the consolidated interim financial statements. Differences between the currency amounts which are committed to buy/sell at the contractual exchange rate and the buy/sell committed currency amounts translated at the spot exchange rate at the effective dates of the currency forward contracts and currency swap contracts are amortised to the consolidated statement of profit or loss on a straight-line basis over the contractual terms.

Currency forward contracts are revalued at the spot exchange rate at month-end. Any unrealised gains/losses are recognised in the foreign exchange revaluation reserve on the consolidated statement of financial position at each month-end and are transferred to the consolidated statement of profit or loss at the year-end.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(l) Derivative financial instruments (continued)****(ii) *Cross currency swap contracts***

Cross currency swap contracts are recognised at contract value in the consolidated interim financial statements. The balance with foreign currency positions is revalued at the spot exchange rate at month-end. Any unrealised gains/losses are recognised in the foreign exchange revaluation reserve on the consolidated statement of financial position at each month-end and are transferred to the consolidated statement of profit or loss at the year-end. Income earned and expenses incurred are recognised in the consolidated statement of profit or loss on an accrual basis.

(iii) *Currency option contracts*

The committed value in currency option contracts is not recognised in the consolidated statement of financial position. Any paid or received option premium is recognised as deferred expense or revenue and amortised to the consolidated statement of profit or loss on a straight-line basis over contractual terms.

Currency option contracts are revalued at the spot exchange rate at month-end. Any unrealised gains/losses are recognised in the foreign exchange revaluation reserve on the consolidated statement of financial position at each month-end and are transferred to the consolidated statement of profit or loss at the year-end.

(m) *Repurchase and reverse repurchase agreements*

Securities sold under agreements to repurchase at a specific date in the future are recognised in the consolidated statement of financial position. The proceeds from these agreements are recognised as a liability on the consolidated statement of financial position and the difference between selling price and the committed repurchase price is amortised to the consolidated statement of profit or loss using the straight-line method over the contractual term.

Securities purchased under agreements to resell at a specific date in the future are not recognised in the consolidated statement of financial position. The cash payment under the agreements is recognised as a loan on the consolidated statement of financial position and the difference between the purchase price and committed reselling price is amortised to the consolidated statement of profit or loss using the straight-line method over the contractual term.

(n) *Gold*

Gold is revalued at the spot exchange rate at each month-end. Differences from the revaluation are recognised in the foreign exchange revaluation reserve on the consolidated statement of financial position at each month-end and are transferred to the consolidated statement of profit or loss at the year-end.

(o) *Cash and cash equivalents*

For the presentation of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, gold and gemstones, demand deposits at the SBV, treasury bills and other short-term valuable papers qualified to be discounted at the SBV, securities which have maturity date within three months from purchase date; and demand deposits and term deposits with other credit institutions with original maturity of three months or less.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(p) Deposits with and loans to other credit institutions****(i) Deposits with other credit institutions**

Deposits with other credit institutions include demand deposits and term deposits.

Demand deposits with other credit institutions are stated at the amount of principal outstanding.

Term deposits with other credit institutions are stated at the amount of principal outstanding less specific allowance.

In accordance with Circular No. 21/2012/TT-NHNN dated 18 June 2012 issued by the SBV ("Circular 21") and Circular No. 01/2013/TT-NHNN dated 7 January 2013 issued by the SBV to amend and to supplement Circular 21, credit institutions are only allowed to undertake deposits for which the maximum term is three months with other credit institutions. New deposits with over-three-month term after the effective date of these circulars are classified as loans to other credit institutions.

Credit risk classification of term deposits with other credit institutions and allowance thereof are made in accordance with Circular 11 similar to those policies on loans to other credit institutions as described in Note 3(p)(ii).

(ii) Loans to other credit institutions

Loans to other credit institutions are loans with original term of less than one year.

Loans to other credit institutions are stated at the amount of principal outstanding less specific allowance.

Specific allowance is calculated based on each other credit institution's loan balance on the last working day of each month less the discounted value of collateral assets. The discounted value of collateral assets is determined in accordance with the principles as set out in Circular 11 as described in Note 3(g)(iii).

The Group classifies loans to other credit institutions in accordance with the quantitative method as stipulated in Article 10 of Circular 11. Loan classification and specific allowance for losses on loans to other credit institutions are determined in accordance with Circular 11, similar to those policies applied to loans to customers as described in Note 3(g)(ii) and Note 3(g)(iii).

The Group is required to use the results of loan classification as provided by the CIC to classify loans to other credit institutions in accordance with the same accounting policy applied to loans to customers as described in Note 3(g).

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Receivables

Receivables are stated at cost less allowance for losses.

Allowance for losses on doubtful receivables is made based on the anticipated possible loss or the overdue status of receivables at the following rates:

Overdue status	Allowance rates
From 6 months to below 1 year	30%
From 1 year to below 2 years	50%
From 2 years to below 3 years	70%
From 3 years and above	100%

Allowance for losses on doubtful receivables is recognised as operating expenses in the consolidated statement of profit or loss when incurred.

(r) Classification of financial instruments

Solely for the purpose of providing disclosures about the significance of financial instruments to the Group's financial position and results of operations and the nature and extent of risk arising from financial instruments, the Group classifies its financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

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

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity, other than:

- those that the Group, upon initial recognition, designates as financial assets at fair value through profit or loss;
- those that the Group designates as available-for-sale; and
- those that meet the definition of loans and receivables.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(r) Classification of financial instruments (continued)****(i) *Financial assets (continued)******Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those:

- that the Group intends to sell immediately or in the near term, which are classified as held for trading and those that the Group, on initial recognition, designates as financial assets at fair value through profit or loss;
- that the Group, upon initial recognition, designates as available-for-sale; or
- for which the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which are classified as available-for-sale.

Available-for-sale financial assets

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

- loans and receivables;
- held-to-maturity investments; or
- financial assets at fair value through profit or loss.

(ii) *Financial liabilities****Financial liabilities at fair value through profit or loss***

A financial liability at fair value through profit or loss is a financial liability that meets either of the following conditions:

- It is considered by the Group as held for trading. A financial liability is classified as held for trading if:
 - it is incurred principally for the purpose of repurchasing it in the near term;
 - there is evidence of a recent pattern of short-term profit-taking; or
 - it is a derivative (except for a derivative that is financial guarantee contract or a designated and effective hedging instrument).
- Upon initial recognition, it is designated by the Group as a financial liability at fair value through profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities which are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities carried at amortised cost.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Classification of financial instruments (continued)

The classification of financial assets and financial liabilities described above is solely for presentation and disclosure purposes and is not intended to be a description of how the financial instruments are measured. Accounting policies for measurement of financial assets and financial liabilities are disclosed in other relevant notes.

(s) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises of its purchase price, import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is charged to the consolidated statement of profit or loss in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

Buildings and structures	25 - 40 years
Office equipment	3 - 8 years
Motor vehicles	6 - 10 years
Others	3 - 6 years

(iii) Disposals

Gains and losses on disposals of tangible fixed assets are determined by comparing net disposal proceeds with the carrying amounts. The disposal proceeds are recognised as income in the consolidated statement of profit or loss. Expenses on disposal of assets and the carrying amounts are recognised as expenses in the consolidated statement of profit or loss.

(t) Intangible fixed assets

(i) Land use rights

Land use rights comprise those acquired in a legitimate transfer with definite and indefinite terms. Definite land use rights are stated at cost and are amortised on a straight-line basis based on the Group's permissible useful life. Indefinite land use rights are stated at cost and without amortisation. Initial cost of a land use right comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Intangible fixed assets (continued)

(ii) Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and recognised as an intangible fixed asset. Software costs are amortised on a straight-line basis over 3 to 8 years.

(iii) Disposals

Gains and losses on disposals of intangible fixed assets are determined by comparing net disposal proceeds with the carrying amounts. The disposal proceeds are recognised as income in the consolidated statement of profit or loss. Expenses on disposal of assets and the carrying amounts are recognised as expenses in the consolidated statement of profit or loss.

(u) Investment property

(i) Investment property held to earn rentals

Cost

Investment property held to earn rentals is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rentals comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Group. Expenditure incurred after the investment property held to earn rentals has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of profit or loss in the period in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rentals, the expenditure is capitalised as an additional cost of the investment property held to earn rentals.

Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property held to earn rentals. The estimated useful lives are as follows:

Buildings	25 years
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Disposals

Gains and losses on disposal of investment property held to earn rentals are determined by comparing net proceeds from disposals with the carrying amount of investment property held to earn rentals. The disposal proceeds are recognised as income in the consolidated statement of profit or loss. Expenses on disposal of assets and the carrying amounts are recognised as expenses in the consolidated statement of profit or loss.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(u) Investment property (continued)****(ii) *Investment property held for capital appreciation***

Investment property held for capital appreciation is stated at cost less any devaluation in market price. The carrying amount of an investment property held for capital appreciation is reduced when there is evidence that its market price falls below its carrying amount and the loss can be measured reliably. Any reduction in value of investment property held for capital appreciation is recognised as other expenses in the consolidated statement of profit or loss.

(v) Deposits from customers

Deposits from customers are stated at cost.

(w) Valuable papers issued

Valuable papers issued are stated at cost. The cost of the valuable papers issued includes the proceeds from the issuance less any direct costs.

(x) Other payables

Other payables are stated at cost.

(y) Provisions

A provision, except for provision described in Notes 3(g), 3(i), 3(j), 3(k), 3(p) and 3(q), is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(z) Severance allowance

Under the Vietnamese Labour Code, when an employee who has worked for 12 months or more ("the eligible employee") voluntarily terminates his/her labour contract, the Group is required to pay the eligible employee severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates the unemployment insurance scheme in accordance with the labour regulations and the period during which the severance allowance was paid. The average monthly salary for calculating the severance allowance is based on the average salary of the six consecutive months preceding the resignation of the eligible employees.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(z) Severance allowance (continued)**

On 9 August 2013, the Ministry of Finance issued Official letter No. 10441/BTC-TCDN guiding the Group on accounting for severance allowance. According to this Official letter, the Ministry of Finance does not allow the Group to make provision for severance allowance to employees. Accordingly, the Group discontinues making any provision for severance allowance since 2013. The Group pays severance allowance to the eligible employee at the time the employee leaves.

Pursuant to Law on Social Insurance, effective from 1 January 2009, the Group and its employees are required to contribute to the unemployment insurance fund managed by the Vietnam Social Insurance Agency.

(aa) Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss except for the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the financial position statement method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(bb) Capital**(i) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(ii) Share premium

On receipt of capital from shareholders, the difference between issue price and par value of issued shares is recognised as the share premium account in equity.

(iii) Treasury shares

When the Bank repurchases its ordinary shares, these repurchased shares are cancelled and the Bank recognises a reduction in its charter capital, except for cases as stipulated by law. The difference between the par value of the repurchased shares and the amount of consideration paid, which includes directly attributable costs, less taxes, is recognised in share premium.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(cc) Reserves

(i) The Bank

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

	Percentage of annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	Charter capital
Financial reserve	10% of profit after tax	Not specified

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

Reserves are used for specific purposes and are appropriated from profit after tax of the Bank according to the proportion prescribed below:

- Reserve to supplement charter capital;
- Financial reserve;
- Other reserves: appropriated according to the resolution of the General Meeting of Shareholders. The appropriation rates of these reserves are determined by the General Meeting of Shareholders in accordance with the law.

The remaining profit after the appropriation of the above reserves, bonus and welfare fund and distribution of dividends to the shareholders is recognised as retained profits of the Bank.

The Bank only appropriates reserve to supplement charter capital and financial reserve at the year-end.

(ii) Asia Commercial Bank Leasing Company Limited

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

	Percentage of annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	Charter capital
Financial reserve	10% of profit after tax	Not specified

ACBL only appropriates reserve to supplement charter capital and financial reserve at the year-end. The reserve to supplement charter capital and the financial reserve of ACBL are recognised as other reserves in the consolidated statement of financial position.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(cc) Reserves (continued)

(iii) *ACB Securities Company Limited*

According to Circular No. 114/2021/TT-BTC dated 17 Decemeber 2021 issued by the Ministry of Finance to annul Circular No. 146/2014/TT-BTC dated 6 October 2014 ("Circular 146"), ACBS has ceased appropriation of reserve to supplement charter capital and financial and operational risk reserve since the financial year ended 31 December 2023.

For the reserve to supplement charter capital already appropriated in accordance with Circular 146, ACBS is entitled to use it for increasing charter capital in accordance with the Securities Law, other relevant regulations and ACBS's Charter.

For the financial and operational risk reserve already appropriated in accordance with Circular 146, ACBS is entitled to use it for charter capital supplement or other purposes in accordance with the Securities Law, other relevant regulations and ACBS's Charter.

The reserve to supplement charter capital and the financial and operational risk reserve of ACBS are recognised as other reserves in the consolidated statement of financial position.

(iv) *Asia Commercial Bank Asset Management Company Limited*

According to Circular No. 27/2002/TT-BTC dated 22 March 2002 issued by the Ministry of Finance, ACBA is required to appropriate the following reserves:

	Percentage of annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax	Charter capital
Financial reserve	10% of profit after tax	Not specified

ACBA only appropriates reserve to supplement charter capital and financial reserve at the year-end. The reserve to supplement charter capital and the financial reserve of ACBA are recognised as other reserves in the consolidated statement of financial position.

(v) *ACB Capital Management Company Limited*

According to Circular No. 114/2021/TT-BTC dated 17 December 2021 issued by the Ministry of Finance to annul Circular No. 146/2014/TT-BTC dated 6 October 2014 ("Circular 146"), ACBC has ceased appropriation of reserve to supplement charter capital and financial and operational risk reserve since the financial year ended 31 December 2023.

For the reserve to supplement Charter capital already appropriated in accordance with Circular 146, ACBC is entitled to use it for charter capital supplement in accordance with the Securities Law, other relevant regulations and ACBC's Charter.

For the financial and operational risk reserve already appropriated in accordance with Circular 146, ACBC is entitled to use it for charter capital supplement or other purposes in accordance with the Securities Law, other relevant regulations and ACBC's Charter.

The reserve to supplement charter capital and the financial and operational risk reserve of ACBC are recognised as other reserves in the consolidated statement of financial position.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(dd) Other funds****(i) Bonus and welfare fund**

Bonus and welfare fund is established by appropriating from profit after tax according to the resolution of the General Meeting of Shareholders. Bonus and welfare fund is recognised as other liabilities in the consolidated statement of financial position.

(ii) Science and technology development fund

Science and technology development fund is established according to the resolution of the General Meeting of Shareholders. The appropriation, expenditure and supervision of the science and technology development fund are carried out in accordance with Decree No. 95/2014/ND-CP dated 17 October 2014 issued by the Government, Circular No. 05/2022/TT-BKHCHN dated 31 May 2022 and Circular No. 67/2022/TT-BTC dated 7 November 2022. The Group recognises the appropriation of science and technology development fund as operating expenses in the consolidated statement of profit or loss, which does not exceed 10% of taxable income. At the end of five-year period starting from recognition date, when the fund is not spent up to 70% of the total of the fund appropriated by the Group and the fund financed by others (if any), the Group must pay corporate income tax imposed on unused amount of the fund and an interest on such corporate income tax.

(ee) Related parties

Related parties include enterprises and individuals that directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Group. The enterprises in which the Group has significant influence, enterprises and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including members of Board of Directors, members of Supervisory Board, members of Board of Management, Chief Financial Officer, Chief Accountant and close members of the family of these individuals and companies which these individuals directly or indirectly hold significant voting right or have significant influence over also constitute related parties.

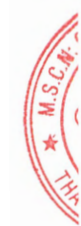
In considering each possible related party relationship, the Group pays attention to the substance of the relationship, and not merely the legal form.

(ff) Fiduciary activities

The Group acts as a trustee and in other fiduciary capacities that result in the holding or placing of assets, loans on behalf of individuals, corporates and other credit institutions.

The value of investment trusts and trust funds received are recognised when the trust contracts have been signed and trust funds have been realised. Rights and obligations of the trustor and trustee relating to profit and profit sharing, trust fee, other rights and obligations are in compliance with the terms of the contracts.

Based on the terms of the contracts, fiduciary activities of the Group comprise:



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(ff) Fiduciary activities (continued)***Fiduciary activities at no risk*

The Group acts as a trustee and in other fiduciary capacities that result in holding assets on behalf of customers, entrusted investments and loans to customers in which entrusters bear all risks of fiduciary activities. These assets are excluded from the Group's consolidated interim financial statements as they are not assets of the Group. Entrusted funds received from entrusters but not yet disbursed are recognised as other liabilities in the consolidated statement of financial position. After the disbursement is made, the Group recognises entrusted funds as off-balance sheet items in accordance with Circular No. 30/2014/TT-NHNN dated 6 November 2014 issued by the SBV.

Fiduciary activities at risk

The Group acts as a trustee receiving funds from the Government, international and other credit institutions to make loans to customers. The Group recognises the received fund as an entrusted fund and recognises loans to customers financed by these funds as its loans to customers. The accounting policies of these loans to customers are in accordance with the regulations issued by the SBV (Note 3(g)).

(gg) Dividend distribution

Dividend distribution to the Bank's shareholders is recognised as a liability in the consolidated interim financial statements when the dividends are approved in accordance with regulations of the Bank's Charter.

(hh) Earnings per share

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

(ii) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segment. The Group's secondary format for segment reporting is based on geographical segment.

(jj) Nil balance

Items or balances required by Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV ("Circular 49") and Circular No. 27/2021/TT-NHNN dated 31 December 2021 issued by the SBV to amend and to supplement of Circular 49 that are not shown in these consolidated interim financial statements indicate nil balances.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

4 CASH ON HAND, GOLD AND GEMSTONES

	30.6.2024 VND million	31.12.2023 VND million
Cash in VND	5,624,314	5,633,976
Cash in foreign currencies	960,652	1,008,690
Gold	9,172	266,634
	<u>6,594,138</u>	<u>6,909,300</u>

5 BALANCES WITH THE STATE BANK OF VIETNAM

	30.6.2024 VND million	31.12.2023 VND million
Demand deposits with the SBV		
- In VND	14,740,736	9,301,180
- In foreign currencies	984,209	9,203,634
	<u>15,724,945</u>	<u>18,504,814</u>

Under the SBV's regulations relating to the compulsory reserve, banks are required to maintain a compulsory reserve requirement ("CRR") in demand deposits with the SBV. The monthly average balance of demand deposits with the SBV must not be less than relevant CRR rates multiplied by the preceding month's average balances of deposits in scope as follows:

CRR rates applicable to preceding month's average balances of:

	30.6.2024 %	31.12.2023 %
<i>Deposits from customers:</i>		
- Deposits in foreign currencies with term of less than 12 months	8.00	8.00
- Deposits in foreign currencies with term of 12 months and above	6.00	6.00
- Deposits in VND with term of less than 12 months	3.00	3.00
- Deposits in VND with term of 12 months and above	1.00	1.00
<i>Deposits from foreign credit institutions:</i>		
- Deposits in foreign currencies	<u>1.00</u>	<u>1.00</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

6 DEPOSITS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

6.1 Deposits with and loans to other credit institutions

	30.6.2024	31.12.2023
	VND million	VND million
Deposits with other credit institutions		
Demand deposits		
- In VND	264,786	107,126
- In foreign currencies	19,272,196	19,693,858
	<u>19,536,982</u>	<u>19,800,984</u>
Term deposits (i)		
- In VND	74,645,493	75,912,418
- In foreign currencies	9,501,814	18,930,600
	<u>84,147,307</u>	<u>94,843,018</u>
	<u>103,684,289</u>	<u>114,644,002</u>
Loans to other credit institutions		
In VND	1,784,803	279,929
<i>In which:</i>		
- <i>Discount, rediscount</i>	1,734,803	229,929
Allowance for losses on loans to other credit institutions	(50,000)	(50,000)
	<u>1,734,803</u>	<u>229,929</u>
Total deposits with and loans to other credit institutions	<u>105,419,092</u>	<u>114,873,931</u>

(i) Included in term deposits with other credit institutions as at 30 June 2024 were:

- VND2,000,000 million (31.12.2023: VND8,500,000 million) which was pledged as collaterals for deposits from other credit institutions with the amount of VND2,000,000 million (31.12.2023: VND8,500,000 million) (Note 34.2).
- VND10,387,500 million of term deposits with other credit institutions of ACBS (31.12.2023: VND3,322,500 million) which was pledged as collaterals for borrowings from other credit institutions with the amount of VND13,183,100 million (31.12.2023: VND4,000,000 million) (Note 34.2).
- VND91,475 million of term deposits with other credit institutions of ACBS (31.12.2023: VND187,218 million) which was pledged as collaterals for settlement of covered warrants (Note 34.2).

6.2 Analysis of quality of term deposits with and loans to other credit institutions

	30.6.2024	31.12.2023
	VND million	VND million
Group 1 – Current loans	85,882,110	95,072,947
Group 5 – Loss loans	50,000	50,000
	<u>85,932,110</u>	<u>95,122,947</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

6 DEPOSITS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS (continued)

6.3 Allowance for losses on loans to other credit institutions

	The six-month period ended 30.6.2024 VND million	The year ended 31.12.2023 VND million
Opening balance	50,000	50,000
Allowance made during the period/year	-	-
Closing balance	<u>50,000</u>	<u>50,000</u>

7 HELD-FOR-TRADING SECURITIES

7.1 Held-for-trading securities

	30.6.2024 VND million	31.12.2023 VND million
Debt securities		
Government securities	885,012	1,879,766
Debt securities issued by domestic credit institutions	4,000,000	4,000,000
Equity securities		
Equity securities issued by domestic credit institutions	590,234	791,985
Equity securities issued by domestic economic entities (i)	760,807	651,738
Total held-for-trading securities	<u>6,236,053</u>	<u>7,323,489</u>
Allowance for losses on held-for-trading securities		
Allowance for diminution in value of held-for-trading securities	(110,948)	(146,420)
	<u>6,125,105</u>	<u>7,177,069</u>

- (i) During the six-month period ended 30 June 2024, the Group reclassified VND10,520 million Investments in domestic economic entities (2023: nil) from long-term investments to held-for-trading securities.

7.2 Analysis of quality of held-for-trading securities classified as credit-risk bearing assets

	30.6.2024 VND million	31.12.2023 VND million
Group 1 - Current loans	<u>4,000,000</u>	<u>4,000,000</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

7 HELD-FOR-TRADING SECURITIES (continued)

7.3 Listing status

	30.6.2024	31.12.2023
	VND million	VND million
Debt securities		
Listed	885,012	1,879,766
Unlisted	4,000,000	4,000,000
Equity securities		
Listed	1,333,188	1,427,251
Unlisted	17,853	16,472
	<u>6,236,053</u>	<u>7,323,489</u>

7.4 Allowance for losses on held-for-trading securities

	Allowance for diminution in value of held-for-trading securities VND million
As at 1 January 2023	189,614
Allowance reversed during the year	<u>(43,194)</u>
As at 31 December 2023	146,420
Allowance reversed during the period (Note 25)	<u>(35,472)</u>
As at 30 June 2024	<u><u>110,948</u></u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

8 DERIVATIVES AND OTHER FINANCIAL LIABILITIES

	As at 30 June 2024			
	Total contract value (at foreign exchange rate at the contract date)	Total carrying value (at foreign exchange rate as at 30 June 2024)		
		VND million	Assets VND million	Liabilities VND million
Currency derivatives				
Currency forward contracts	3,023,368	895	-	895
Currency swap contracts	74,538,519	112,062	-	112,062
Other derivatives				
Cross currency swap contracts	8,826,353	-	(174,789)	(174,789)
	<u>86,388,240</u>	<u>112,957</u>	<u>(174,789)</u>	<u>(61,832)</u>

	As at 31 December 2023			
	Total contract value (at foreign exchange rate at the contract date)	Total carrying value (at foreign exchange rate as at 31 December 2023)		
		VND million	Assets VND million	Liabilities VND million
Currency derivatives				
Currency forward contracts	1,965,933	-	(10,372)	(10,372)
Currency swap contracts	66,224,739	-	(99,489)	(99,489)
Other derivatives				
Cross currency swap contracts	3,193,859	-	(7,265)	(7,265)
	<u>71,384,531</u>	<u>-</u>	<u>(117,126)</u>	<u>(117,126)</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

9 LOANS TO CUSTOMERS

9.1 By type of loans

	30.6.2024	31.12.2023
	VND million	VND million
Loans to domestic economic entities and individuals	540,204,198	480,623,657
Discounted negotiable instruments and valuable papers	144,562	180,101
Finance leases	1,858,098	1,750,717
Payments on behalf of customers	464,738	472,381
Margin loans and cash advances	7,500,697	4,574,996
	<u>550,172,293</u>	<u>487,601,852</u>

9.2 By type of customers

	30.6.2024	31.12.2023
	VND million	VND million
State-owned companies	3,934,481	3,386,333
Joint stock companies, limited liability companies and other enterprises	181,571,805	160,984,960
Foreign joint-venture companies	493,592	518,728
100% foreign-owned companies	49,459	1,762
Co-operatives	322,395	296,799
Individuals	363,280,992	321,858,529
Others	519,569	554,741
	<u>550,172,293</u>	<u>487,601,852</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

9 LOANS TO CUSTOMERS (continued)

9.3 By loan group

	30.6.2024 VND million	31.12.2023 VND million
Group 1 - Current loans	531,612,481	473,964,363
Group 2 - Special-mentioned loans	2,936,340	3,175,268
Group 3 - Sub-standard loans	1,287,665	940,414
Group 4 - Doubtful loans	1,309,499	1,048,813
Group 5 - Loss loans	5,525,611	3,897,998
Margin loans and cash advances	7,500,697	4,574,996
	<u>550,172,293</u>	<u>487,601,852</u>

9.4 By term

	30.6.2024 VND million	31.12.2023 VND million
Short-term loans	373,352,875	327,904,718
Medium-term loans	16,952,366	15,386,415
Long-term loans	159,867,052	144,310,719
	<u>550,172,293</u>	<u>487,601,852</u>

9.5 By currency

	30.6.2024 VND million	31.12.2023 VND million
Denominated in VND	536,751,548	476,853,451
Denominated in foreign currencies and gold	13,420,745	10,748,401
	<u>550,172,293</u>	<u>487,601,852</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

9 LOANS TO CUSTOMERS (continued)

9.6 By business sector of customers

	30.6.2024	31.12.2023
	VND million	VND million
Trading	93,290,074	85,530,409
Manufacturing and processing	32,831,226	28,222,186
Construction	19,984,051	18,240,176
Individual and community services	16,151,402	13,855,783
Real estate advisory and trading	6,555,031	5,813,214
Warehousing, transportation and communication	4,731,506	4,261,365
Financial services	3,963,186	1,811,477
Hotels and restaurants	1,650,757	1,676,823
Agriculture and forestry	1,776,177	1,420,850
Training and education	745,489	677,254
Other business sectors	368,493,394	326,092,315
	<u>550,172,293</u>	<u>487,601,852</u>

9.7 Allowance for losses on loans to customers

	Specific allowance	General allowance	Allowance for losses on loans for margin trading activities	Total
	VND million	VND million	VND million	VND million
As at 1 January 2023	1,662,513	3,071,021	116,202	4,849,736
Allowance made during the year	1,281,656	521,301	1,274	1,804,231
Allowance utilised during the year	(1,287,015)	-	-	(1,287,015)
As at 31 December 2023	<u>1,657,154</u>	<u>3,592,322</u>	<u>117,476</u>	5,366,952
Allowance made during the period (Note 30) (i)	665,507	434,860	-	1,100,367
Allowance utilised during the period	(148,064)	-	-	(148,064)
As at 30 June 2024	<u>2,174,597</u>	<u>4,027,182</u>	<u>117,476</u>	6,319,255

- (i) During the six-month period ended 30 June 2024, the Group made 100% of additional specific allowance for losses on loans to customers whose debts were restructured and remained loan group in accordance with Circular 02 (Note 3(g)(vi)).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

10 INVESTMENT SECURITIES

10.1 Investment securities

	30.6.2024 VND million	31.12.2023 VND million
Available-for-sale securities		
Debt securities		
Government securities (i) (ii)	25,315,016	20,515,956
Debt securities issued by domestic credit institutions (i)	36,336,143	24,375,151
Equity securities		
Equity securities issued by domestic economic entities	12,661	12,661
Allowance for losses on available-for-sale securities		
Allowance for diminution in value	(12,420)	-
Total available-for-sale securities	<u>61,651,400</u>	<u>44,903,768</u>
Held-to-maturity securities (excluding special bonds issued by VAMC)		
Debt securities		
Government securities (i) (ii)	14,938,107	24,853,008
Debt securities issued by domestic credit institutions (i)	500,000	3,706,571
Total held-to-maturity securities (excluding special bonds issued by VAMC)	<u>15,438,107</u>	<u>28,559,579</u>
Total investment securities	<u><u>77,089,507</u></u>	<u><u>73,463,347</u></u>

(i) During the six-month period ended 30 June 2024, the Group reclassified VND3,844,381 million of Government securities and VND3,206,065 million of debt securities issued by domestic credit institutions (During the year 2023: VND14,949,489 million of Government securities) from held-to-maturity securities to available-for-sale securities.

(ii) Included in investment securities as at 30 June 2024 were:

- VND2,859,091 million of Government securities (31.12.2023: VND4,001,997 million) which were pledged as collaterals for deposits and borrowings from other credit institutions with the amount of VND1,753,650 million (31.12.2023: VND3,444,756 million) (Note 34.2).
- VND2,568,803 million of Government securities (31.12.2023: VND2,573,042 million) which were pledged as collaterals for valuable papers issued with the amount of VND2,185,252 million (31.12.2023: VND2,183,608 million) (Note 34.2).
- VND1,008,752 million of Government securities (31.12.2023: VND1,002,628 million) which were pledged as collaterals for interbank electronic clearing transactions (Note 34.2).
- VND924,874 million of Government securities (31.12.2023: nil) which were pledged as collaterals for the threshold and interbank overdraft at the SBV (Note 34.2).

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

10 INVESTMENT SECURITIES (continued)

10.2 Analysis of quality of investment securities classified as credit-risk bearing assets

	30.6.2024 VND million	31.12.2023 VND million
Group 1 - Current loans	35,836,143	28,081,722

10.3 Listing status

	30.6.2024 VND million	31.12.2023 VND million
Available-for-sale securities		
<i>Debt securities</i>		
Listed	25,815,016	20,515,956
Unlisted	35,836,143	24,375,151
	<u>61,651,159</u>	<u>44,891,107</u>
<i>Equity securities</i>		
Listed	12,661	12,661
	<u>61,663,820</u>	<u>44,903,768</u>
Held-to-maturity securities (excluding special bonds issued by VAMC)		
<i>Debt securities</i>		
Listed	15,438,107	24,853,008
Unlisted	-	3,706,571
	<u>15,438,107</u>	<u>28,559,579</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

11 LONG-TERM INVESTMENTS

11.1 By type of investments

	Note	30.6.2024 VND million	31.12.2023 VND million
Other long-term investments	11.2	292,867	303,387
Allowance for diminution in value of long-term investments	11.3	(163,992)	(163,362)
		<u>128,875</u>	<u>140,025</u>

11.2 Other long-term investments

	30.6.2024 VND million	31.12.2023 VND million
Investments in domestic economic entities - Listed	181,339	181,339
Investments in domestic economic entities - Unlisted	111,528	122,048
	<u>292,867</u>	<u>303,387</u>

11.3 Allowance for diminution in value of long-term investments

	VND million
As at 1 January 2023	156,573
Allowance made during the year	6,789
	<u>163,362</u>
As at 31 December 2023	163,362
Allowance made during the period (Note 29(i))	630
	<u>163,992</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

12 FIXED ASSETS

12.1 Tangible fixed assets

	Buildings and structures VND million	Office equipment VND million	Motor vehicles VND million	Others VND million	Total VND million
Historical cost					
As at 1 January 2024	2,690,563	2,791,386	591,330	183,632	6,256,911
Additions	2,098	33,152	30,247	2,732	68,229
Transfer from constructions in progress (Note 14.1(ii))	25,125	-	374	-	25,499
Transfer from foreclosed assets	3,222	-	-	-	3,222
Disposals	(10,630)	(16,465)	(32,415)	(2,868)	(62,378)
Reclassification (Note 12.2)	(61,465)	-	-	-	(61,465)
As at 30 June 2024	<u>2,648,913</u>	<u>2,808,073</u>	<u>589,536</u>	<u>183,496</u>	<u>6,230,018</u>
Accumulated depreciation					
As at 1 January 2024	767,569	1,705,812	315,442	150,520	2,939,343
Charge for the period	35,854	163,877	24,031	4,979	228,741
Disposals	(5,817)	(16,427)	(32,378)	(2,868)	(57,490)
As at 30 June 2024	<u>797,606</u>	<u>1,853,262</u>	<u>307,095</u>	<u>152,631</u>	<u>3,110,594</u>
Net book value					
As at 1 January 2024	<u>1,922,994</u>	<u>1,085,574</u>	<u>275,888</u>	<u>33,112</u>	<u>3,317,568</u>
As at 30 June 2024	<u>1,851,307</u>	<u>954,811</u>	<u>282,441</u>	<u>30,865</u>	<u>3,119,424</u>

Other information about tangible fixed assets was as follows:

	30.6.2024 VND million	31.12.2023 VND million
Carrying amount of tangible fixed assets which were pledged as collaterals for borrowings (Note 34.2)	22,453	23,702
Cost of tangible fixed assets which were fully depreciated but still in use	<u>1,509,612</u>	<u>1,492,599</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

12 FIXED ASSETS (continued)

12.2 Intangible fixed assets

	Land use rights VND million	Software VND million	Total VND million
Historical cost			
As at 1 January 2024	1,152,201	949,476	2,101,677
Additions	-	64,817	64,817
Transfer from constructions in progress (Note 14.1(ii))	50,250	5,929	56,179
Transfer from foreclosed assets	8,278	-	8,278
Disposals	(44,843)	-	(44,843)
Reclassification (Note 12.1)	61,465	-	61,465
Other movements	(152)	-	(152)
As at 30 June 2024	<u>1,227,199</u>	<u>1,020,222</u>	<u>2,247,421</u>
Accumulated amortisation			
As at 1 January 2024	1,333	655,351	656,684
Charge for the period	1,372	43,230	44,602
As at 30 June 2024	<u>2,705</u>	<u>698,581</u>	<u>701,286</u>
Net book value			
As at 1 January 2024	<u>1,150,868</u>	<u>294,125</u>	<u>1,444,993</u>
As at 30 June 2024	<u><u>1,224,494</u></u>	<u><u>321,641</u></u>	<u><u>1,546,135</u></u>

Other information about intangible fixed assets was as follows:

	30.6.2024 VND million	31.12.2023 VND million
Cost of intangible fixed assets which were fully amortised but still in use	<u>483,636</u>	<u>446,629</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**
13 INVESTMENT PROPERTY

	30.6.2024 VND million	31.12.2023 VND million
Investment properties held for capital appreciation	177,005	177,005

14 OTHER ASSETS**14.1 Receivables**

	30.6.2024 VND million	31.12.2023 VND million
External receivables (i)	3,121,636	3,918,074
Construction in progress (ii)	1,295,695	1,174,974
Advances and internal receivables	349,819	210,705
Receivables from the State Budget	8,780	12,272
Dividend receivables	300	926
	<u>4,776,230</u>	<u>5,316,951</u>

(i) Included in external receivables as at 30 June 2024 were:

- Advances to suppliers with the amount of VND955,838 million (31.12.2023: VND1,136,442 million).
- Receivables from Usance Payable At Sight Letter of Credit ("UPAS L/C") with the amount of VND810,055 million (31.12.2023: VND919,265 million).

(ii) Movements of construction in progress during the period/year as follows:

	The six-month period ended 30.6.2024 VND million	The year ended 31.12.2023 VND million
Opening balance	1,174,974	584,626
Additions during the period/year	202,399	1,038,095
Transfer to tangible fixed assets (Note 12.1)	(25,499)	(204,576)
Transfer to intangible fixed assets (Note 12.2)	(56,179)	(243,171)
Closing balance	<u>1,295,695</u>	<u>1,174,974</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

14 OTHER ASSETS (continued)

14.1 Receivables (continued)

(ii) Movements in construction in progress were as follows (continued):

Major constructions in progress were:

	30.6.2024 VND million	31.12.2023 VND million
Office buildings	713,808	640,868

14.2 Deferred tax assets

	30.6.2024 VND million	31.12.2023 VND million
Deferred tax assets related to deductible temporary differences	59,441	33,722

Movements in deferred tax assets during the period/year were as follows:

	The six-month period ended 30.6.2024 VND million	The year ended 31.12.2023 VND million
Opening balance	33,722	63,966
Increase in deferred tax assets during the period/year	59,254	33,722
Reversal of deferred tax assets recognised in previous years	(33,535)	(63,966)
Closing balance	59,441	33,722

In the year 2024, deferred tax assets were calculated at the tax rate of 20% (2023: 20%).

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

14 OTHER ASSETS (continued)

14.3 Other assets

	30.6.2024	31.12.2023
	VND million	VND million
Prepaid expenses	1,099,165	959,842
Foreclosed assets of which ownership was transferred to the Bank and awaiting for settlement (i)	-	11,500
Other assets	158,836	145,738
	<u>1,258,001</u>	<u>1,117,080</u>

(i) Foreclosed assets of which ownership was transferred to the Group and awaiting for settlement:

	30.6.2024	31.12.2023
	VND million	VND million
Real estates	-	11,500
	<u>-</u>	<u>11,500</u>

14.4 Allowance for losses on other assets

	VND million
As at 1 January 2023	196,167
Allowance made during the year	2,618
	<u>198,785</u>
As at 31 December 2023	198,785
Allowance reversed during the period (Note 29(i))	(54,250)
	<u>144,535</u>
As at 30 June 2024	<u>144,535</u>

15 DUE TO THE GOVERNMENT AND THE STATE BANK OF VIETNAM

	30.6.2024	31.12.2023
	VND million	VND million
Deposits from the State Treasury		
Demand deposits in VND	15,945	88
	<u>15,945</u>	<u>88</u>
Total due to the Government and the State Bank of Vietnam	<u>15,945</u>	<u>88</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

16 DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	30.6.2024 VND million	31.12.2023 VND million
Deposits from other credit institutions		
Demand deposits		
- In VND	64,020	66,431
- In foreign currencies	14,209	5,304
	<u>78,229</u>	<u>71,735</u>
Term deposits (i)		
- In VND	71,742,289	77,322,064
- In foreign currencies	6,114,652	3,325,674
	<u>77,856,941</u>	<u>80,647,738</u>
	<u>77,935,170</u>	<u>80,719,473</u>
Borrowings from other credit institutions		
In VND	15,028,131	7,868,187
<i>In which:</i>		
- <i>Discount, rediscount (i)</i>	1,753,650	2,644,756
- <i>Mortgage, pledge (i)</i>	13,183,100	4,480,000
In foreign currencies	797,317	919,002
	<u>15,825,448</u>	<u>8,787,189</u>
Total deposits and borrowings from other credit institutions	<u>93,760,618</u>	<u>89,506,662</u>

(i) Term deposits and borrowings from other credit institutions were secured by the following assets:

	30.6.2024 VND million	31.12.2023 VND million
Term deposits with other credit institutions (Note 6.1(i))	12,387,500	11,822,500
Investment securities (Note 10.1(ii))	2,859,091	4,001,997
Fixed assets (Note 12.1)	22,453	23,702
	<u>15,269,044</u>	<u>15,848,200</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**
17 DEPOSITS FROM CUSTOMERS
By type of deposits

	30.6.2024	31.12.2023
	VND million	VND million
Demand deposits		
- In VND	99,661,683	96,559,181
- In foreign currencies	8,362,036	7,411,358
Term deposits		
- In VND	110,806,239	102,060,988
- In foreign currencies	399,495	327,629
Demand savings		
- In VND	293,713	909,014
- In foreign currencies	3,753,992	3,574,735
Term savings		
- In VND	285,262,658	268,853,817
- In foreign currencies	788,955	745,841
Margin deposits		
- In VND	1,748,014	1,698,777
- In foreign currencies	97,263	113,479
Specialised capital deposits		
- In VND	186,885	199,592
- In foreign currencies	334,842	248,320
	<u>511,695,775</u>	<u>482,702,731</u>

18 FUNDS AND ENTRUSTED INVESTMENTS RECEIVED FROM THE GOVERNMENT, INTERNATIONAL AND OTHER CREDIT INSTITUTIONS

	30.6.2024	31.12.2023
	VND million	VND million
Funds received from Japan Bank for International Cooperation in VND (i)	20,498	26,854
Funds received from Japan Bank for International Cooperation in foreign currencies (ii)	12,677	14,680
	<u>33,175</u>	<u>41,534</u>

Funds received from Japan Bank for International Cooperation ("JBIC") are financed by the Japanese Government via JBIC. These funds are granted to small and medium enterprises with maximum period of ten years for medium-term and long-term loans and with maximum period of one year for short-term loans in accordance with the lending agreement signed between the SBV and the Bank.

- (i) Outstanding balances of funds received from JBIC in VND born annual interest rates from 3.13% to 3.83% per annum for the six-month period ended 30 June 2024 (during the year 2023: from 4.90% to 6.96% per annum).
- (ii) Outstanding balances of funds received from JBIC in foreign currencies born annual interest rates of 1.91% per annum for the six-month period ended 30 June 2024 (during the year 2023: 1.91% per annum).

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

19 VALUABLE PAPERS ISSUED

	As at 30 June 2024	
	Book value VND million	Par value VND million
Bonds		
From one-year to two-year bonds	29,899,352	29,900,000
Three-year bonds	3,499,920	3,500,000
Five-year bonds	2,988,695	2,990,000
Ten-year bonds	2,415,248	2,430,000
Certificates of deposit		
Certificates of deposit under one year	28,150,000	28,150,000
	<u>66,953,215</u>	<u>66,970,000</u>
	<u><u>66,953,215</u></u>	<u><u>66,970,000</u></u>
	As at 31 December 2023	
	Book value VND million	Par value VND million
Bonds		
From one-year to two-year bonds	23,549,317	23,550,000
Three-year bonds	11,199,891	11,200,000
Five-year bonds	1,497,202	1,500,000
Ten-year bonds	2,413,604	2,430,000
Certificates of deposit		
Certificates of deposit under one year	13,750,000	13,750,000
	<u>52,410,014</u>	<u>52,430,000</u>
	<u><u>52,410,014</u></u>	<u><u>52,430,000</u></u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

20 OTHER LIABILITIES

	30.6.2024	31.12.2023
	VND million	VND million
Internal payables	1,260,384	1,491,719
External payables	5,732,406	4,849,521
- <i>Remittances in transit</i>	312,490	289,990
- <i>Tax payables to the State Budget (Note 33)</i>	2,062,612	2,522,843
- <i>Cash held on behalf and awaiting for settlement</i>	725,156	291,442
- <i>Amount awaiting settlement</i>	2,307,405	746,546
- <i>Other payables</i>	324,743	998,700
Unearned revenue (i)	6,520,306	6,812,909
Bonus and welfare fund (ii)	848,301	448,547
Science and technology development fund (iii)	1,630,643	1,775,592
	<u>15,992,040</u>	<u>15,378,288</u>

(i) Included in unearned revenue as at 30 June 2024 was VND6,516,667 million (31.12.2023: VND6,800,000 million) of the unearned support fee from the Bank's bancassurance activities.

(ii) Bonus and welfare fund

	The six-month period ended 30.6.2024	The year ended 31.12.2023
	VND million	VND million
Opening balance	448,547	300,047
Addition during the period/year (Note 21.1)	400,000	150,000
Utilisation during the period/year	(246)	(1,500)
Closing balance	<u>848,301</u>	<u>448,547</u>

(iii) At the meeting on 19 April 2018, the General Meeting of Shareholders resolved to establish the Science and technology development fund.

	The six-month period ended 30.6.2024	The year ended 31.12.2023
	VND million	VND million
Opening balance	1,775,592	1,822,237
Utilisation during the period/year	(44,691)	(566,793)
Fixed assets funded by the Science and technology development fund during the period/year	-	595,562
Depreciation of fixed assets funded by the Science and technology development fund during the period/year	(53,677)	(83,616)
Other movements during the period/year	(46,581)	8,202
Closing balance	<u>1,630,643</u>	<u>1,775,592</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

21 OWNERS' EQUITY

21.1 Statement of changes in owners' equity

	Charter capital VND million	Share premium VND million	Reserve to supplement charter capital VND million	Financial reserve VND million	Other reserves (i) VND million	Foreign exchange revaluation reserve VND million	Retained profits VND million	Total VND million
As at 1 January 2023	33,774,351	271,779	2,682,996	6,108,157	428,972	-	15,172,408	58,438,663
Net profit for the period	-	-	-	-	-	-	8,000,875	8,000,875
Appropriation to bonus and welfare fund (Note 20(ii))	-	-	-	-	-	-	(150,000)	(150,000)
Share dividends	5,066,153	-	-	-	-	-	(5,066,153)	-
Cash dividends	-	-	-	-	-	-	(3,377,435)	(3,377,435)
Other movements	-	-	-	-	(19)	-	19	-
Foreign exchange revaluation reserve	-	-	-	-	-	(44,922)	-	(44,922)
As at 30 June 2023	<u>38,840,504</u>	<u>271,779</u>	<u>2,682,996</u>	<u>6,108,157</u>	<u>428,953</u>	<u>(44,922)</u>	<u>14,579,714</u>	<u>62,867,181</u>
Net profit for the period	-	-	-	-	-	-	8,043,858	8,043,858
Appropriation to reserves	-	-	776,087	1,552,175	9,067	-	(2,337,329)	-
Foreign exchange revaluation reserve	-	-	-	-	-	44,922	-	44,922
As at 31 December 2023	<u>38,840,504</u>	<u>271,779</u>	<u>3,459,083</u>	<u>7,660,332</u>	<u>438,020</u>	<u>-</u>	<u>20,286,243</u>	<u>70,955,961</u>
Net profit for the period	-	-	-	-	-	-	8,374,009	8,374,009
Appropriation to bonus and welfare fund (Note 20(ii))	-	-	-	-	-	-	(400,000)	(400,000)
Share dividends (Note 21.3)	5,826,075	-	-	-	-	-	(5,826,075)	-
Cash dividends (Note 21.3)	-	-	-	-	-	-	(3,884,051)	(3,884,051)
Foreign exchange revaluation reserve	-	-	-	-	-	(253,241)	-	(253,241)
As at 30 June 2024	<u><u>44,666,579</u></u>	<u><u>271,779</u></u>	<u><u>3,459,083</u></u>	<u><u>7,660,332</u></u>	<u><u>438,020</u></u>	<u><u>(253,241)</u></u>	<u><u>18,550,126</u></u>	<u><u>74,792,678</u></u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

21 OWNERS' EQUITY (continued)

21.1 Statement of changes in owners' equity (continued)

(i) As at 30 June 2024, other reserves comprised of:

- Reserve to supplement charter capital of subsidiaries: VND187,873 million (31.12.2023: VND187,873 million);
- Financial reserve of subsidiaries: VND81,047 million (31.12.2023: VND81,047 million);
- Financial and operational risk reserve of subsidiaries: VND168,979 million (31.12.2023: VND168,979 million);
- Capital expenditure fund of the Bank: VND121 million (31.12.2023: VND121 million).

21.2 Shares

(a) Number of shares

	30.6.2024		31.12.2023	
	Number of shares	Carrying value VND million	Number of shares	Carrying value VND million
Authorised share capital	4,466,657,912	44,666,579	3,884,050,358	38,840,504
Ordinary shares in circulation	4,466,657,912	44,666,579	3,884,050,358	38,840,504

(b) Movements of the charter capital

	Number of shares	Charter capital VND million
As at 1 January 2023	3,377,435,094	33,774,351
Shares issued	506,615,264	5,066,153
As at 31 December 2023	3,884,050,358	38,840,504
Shares issued	582,607,554	5,826,075
As at 30 June 2024	4,466,657,912	44,666,579

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at General Meetings of Shareholders of the Bank. Shareholders are entitled to receive dividends as declared from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets. In respect of shares bought back by the Bank, all rights are suspended until those shares are reissued.

21.3 Dividends

The General Meeting of Shareholders of the Bank on 4 April 2024 resolved to distribute share and cash dividends at the distribution rate of 15% and 10% (2023: 15% and 10%), respectively, from VND9,710,126 million of retained profits of 2023 and previous years (2023: VND8,443,588 million of retained profits of 2022 and previous years). The Bank completed the procedures for the issuance of shares for dividends.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

22 INTEREST AND SIMILAR INCOME

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Interest income from deposits	1,820,853	1,715,442
Interest income from loans	20,652,963	22,772,490
Interest income from debt securities:	1,299,786	1,834,420
- <i>Interest income from held-for-trading securities</i>	19,750	20,000
- <i>Interest income from investment securities</i>	1,280,036	1,814,420
Income from guarantee services	124,566	130,399
Interest income from finance leasing	88,661	83,888
Other income from credit activities	475,477	271,237
	<u>24,462,306</u>	<u>26,807,876</u>

23 INTEREST AND SIMILAR EXPENSES

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Interest expenses on deposits	8,941,010	12,869,492
Interest expenses on borrowings	223,412	194,007
Interest expenses on valuable papers issued	1,447,657	918,767
Other expenses on credit activities	17,203	364,784
	<u>10,629,282</u>	<u>14,347,050</u>

24 NET GAIN FROM TRADING OF FOREIGN CURRENCIES

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Gains from trading of foreign currencies		
Currency spots	1,134,019	952,457
Gold trading	30,456	2,405
Currency derivatives	358,227	318,702
Losses on trading of foreign currencies		
Currency spots	(298,777)	(345,091)
Gold trading	(1,173)	-
Currency derivatives	(562,802)	(163,080)
	<u>659,950</u>	<u>765,393</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

25 NET GAIN FROM TRADING OF HELD-FOR-TRADING SECURITIES

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Gains from trading of held-for-trading securities	274,323	66,652
Losses on trading of held-for-trading securities	(154,635)	(28,551)
Reversal of allowance for losses on held-for-trading securities (Note 7.4)	35,472	76,447
	<u>155,160</u>	<u>114,548</u>

26 NET GAIN FROM TRADING OF INVESTMENT SECURITIES

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Gains from trading of investment securities	206,576	411,546
Losses on trading of investment securities	(4,093)	(4,776)
Addition to allowance for losses on investment securities	(12,420)	-
	<u>190,063</u>	<u>406,770</u>

27 NET OTHER INCOME

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Other income		
Income from bad debt collection previously written off	325,185	671,495
Income from other trading activities	66,851	71,811
Other income	195,559	34,254
Other expenses		
Expenses on other trading activities	(157,455)	(40,079)
Other expenses	(81,853)	(7,354)
	<u>348,287</u>	<u>730,127</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

28 INCOME FROM INVESTMENTS IN OTHER ENTITIES

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Dividend income received during the period		
- From held-for-trading equity securities	8,107	5,025
- From long-term investments	3,100	29,530
	<u>11,207</u>	<u>34,555</u>

29 OPERATING EXPENSES

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Tax, duties and fees	9,955	8,138
Salaries and related expenses	3,141,862	2,909,352
- <i>Salaries and allowances</i>	1,193,000	1,082,575
- <i>Salary related contributions</i>	243,223	221,452
- <i>Subsidies</i>	5,543	3,850
- <i>Others</i>	1,700,096	1,601,475
Expenses on assets	809,298	809,684
- <i>Depreciation and amortisation expenses</i>	219,666	189,004
- <i>Others</i>	589,632	620,680
Administrative expenses	1,045,082	1,020,804
Insurance for deposits from customers	276,962	243,432
Allowance expenses (i)	(53,620)	1,410
	<u>5,229,539</u>	<u>4,992,820</u>

(i) Details of allowance expenses were as follows:

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Addition to allowance for diminution in value of long-term investments (Note 11.3)	630	493
(Reversal of)/addition to allowance for losses on other assets (Note 14.4)	(54,250)	917
	<u>(53,620)</u>	<u>1,410</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

30 ALLOWANCE EXPENSES FOR CREDIT LOSSES

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Addition to general allowance for losses on loans to customers (Note 9.7)	434,860	131,969
Addition to specific allowance for losses on loans to customers (Note 9.7)	665,507	829,938
	<u>1,100,367</u>	<u>961,907</u>

31 EARNINGS PER SHARE

31.1 Basic earnings per share

The basic earnings per share was calculated by dividing the net profit attributable to ordinary shareholders after deducting the bonus and welfare fund made during the period, by the weighted average number of ordinary shares outstanding during the period.

	The six-month period ended	
	30.6.2024	30.6.2023
Net profit for the period (VND million)	8,374,009	8,000,875
Less: Appropriation to bonus and welfare fund (VND million) (Note 20(ii))	(400,000)	(150,000)
Profit used for calculation of earnings per share (VND million)	7,974,009	7,850,875
Weighted average of ordinary shares outstanding during the period (share) (i)	4,466,657,912	4,466,657,912
Earnings per share by weighted average of ordinary shares outstanding at the reporting date (VND/share) (ii)	<u>1,785</u>	<u>1,758</u>

(i) Weighted average number of ordinary shares outstanding during the period:

	The six-month period ended	
	30.6.2024	30.6.2023
Issued ordinary shares at the beginning of the period	3,884,050,358	3,377,435,094
Effect of share dividends issued in 2023	-	506,615,264
Effect of share dividends issued in 2024 (ii)	582,607,554	582,607,554
Weighted average number of ordinary shares outstanding during the period	<u>4,466,657,912</u>	<u>4,466,657,912</u>

(ii) Earnings per share for the six-month period ended 30 June 2023 was retrospectively adjusted for the increase in ordinary shares due to share dividends issued in 2024.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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31 EARNINGS PER SHARE (continued)

31.2 Diluted earnings per share

During the period, the Group did not have any dilutive potential ordinary shares. Accordingly, the requirement for presentation of the diluted earnings per share was not applicable.

32 CASH AND CASH EQUIVALENTS

	30.6.2024	30.6.2023
	VND million	VND million
Cash on hand, gold and gemstones	6,594,138	5,983,591
Balances with the SBV	15,724,945	11,514,014
Deposits with other credit institutions (including demand deposits and term deposits with original terms of three months or less)	96,704,536	87,252,907
Securities with a term of redemption or maturity not exceeding three months from the date of purchase	-	3,000,000
	<u>119,023,619</u>	<u>107,750,512</u>

33 OBLIGATIONS TO THE STATE BUDGET

	Movements during the period			30.6.2024
	1.1.2024	Payable	Paid	
	VND million	VND million	VND million	VND million
Value added tax	91,361	192,777	243,953	40,185
Corporate income tax	2,293,886	2,142,266	2,510,781	1,925,371
Other taxes	137,596	569,161	609,701	97,056
	<u>2,522,843</u>	<u>2,904,204</u>	<u>3,364,435</u>	<u>2,062,612</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

34 ASSETS, VALUABLE PAPERS MORTGAGED, PLEDGED, DISCOUNTED AND REDISCOUNTED

34.1 Assets, valuable papers mortgaged, pledged, discounted and rediscounted at the Group

	30.6.2024 VND million	31.12.2023 VND million
Assets, valuable papers of customers mortgaged, pledged and discounted at the Group		
Real estates	923,850,284	867,009,958
Inventories	794,734	572,679
Machinery and equipment	3,955,611	3,984,708
Valuable papers	61,019,696	48,265,817
<i>In which:</i>		
- Valuable papers issued by enterprises	61,019,696	48,265,817
Other assets	27,164,485	22,235,715
	<u>1,016,784,810</u>	<u>942,068,877</u>
Assets, valuable papers of other credit institutions mortgaged, pledged, discounted and rediscounted at the Group		
Real estates	836,222	840,698
Valuable papers	1,500,000	250,000
Other assets	52,068,220	51,589,470
	<u>54,404,442</u>	<u>52,680,168</u>
Total assets, valuable papers mortgaged, pledged, discounted and rediscounted at the Group	<u><u>1,071,189,252</u></u>	<u><u>994,749,045</u></u>

34.2 The Group's assets, valuable papers mortgaged, pledged, discounted and rediscounted

	30.6.2024 VND million	31.12.2023 VND million
Term deposits with other credit institutions (Note 6.1(i))	12,478,975	12,009,718
Investment securities (Note 10.1(ii))	7,361,520	7,577,667
Fixed assets (Note 12.1)	22,453	23,702
	<u>19,862,948</u>	<u>19,611,087</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

35 CONTINGENT LIABILITIES AND COMMITMENTS

35.1 Off-balance sheet items

	As at 30 June 2024		
	Denominated in VND VND million	Denominated in foreign currencies VND million	Total VND million
Borrowing guarantees	61,612	-	61,612
Commitments on foreign exchange transactions	71,051,308	81,713,138	152,764,446
Letters of credit at sight	9,808	1,724,518	1,734,326
Deferred letters of credit	55,203	1,590,561	1,645,764
Payment guarantees	3,542,453	119,959	3,662,412
Performance guarantees	2,159,080	84,447	2,243,527
Bidding guarantees	586,473	-	586,473
Other guarantees	5,852,219	204,730	6,056,949
Other commitments	19,347,910	9,001,142	28,349,052
	<u>102,666,066</u>	<u>94,438,495</u>	<u>197,104,561</u>

	As at 31 December 2023		
	Denominated in VND VND million	Denominated in foreign currencies VND million	Total VND million
Borrowing guarantees	42,766	-	42,766
Commitments on foreign exchange transactions	61,394,470	73,559,465	134,953,935
Letters of credit at sight	-	965,298	965,298
Deferred letters of credit	-	1,218,548	1,218,548
Payment guarantees	3,295,550	111,145	3,406,695
Performance guarantees	1,943,594	47,729	1,991,323
Bidding guarantees	547,715	-	547,715
Other guarantees	5,865,676	111,465	5,977,141
Other commitments	11,209,105	3,201,123	14,410,228
	<u>84,298,876</u>	<u>79,214,773</u>	<u>163,513,649</u>

(*) These balances represented the gross amount of off-balance sheet items as at 30 June 2024 before deducting margin deposits of VND947,588 million (31.12.2023: VND991,649 million).

35.2 Operating lease commitments

The future minimum lease payments under non-cancellable operating leases were:

	30.6.2024 VND million	31.12.2023 VND million
Within 1 year	395,991	416,334
Over 1 year to 5 years	1,551,740	1,861,722
Over 5 years	411,754	506,854
	<u>2,359,485</u>	<u>2,784,910</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

35 CONTINGENT LIABILITIES AND COMMITMENTS (continued)

35.3 Capital commitments

The capital commitments that have been approved but not yet provided for in the consolidated statement of financial position as at 30 June 2024 amounted to VND387,254 million (31.12.2023: VND320,769 million).

36 OVERDUE INTEREST AND FEE RECEIVABLE NOT COLLECTED YET

	30.6.2024 VND million	31.12.2023 VND million
Overdue interest of loans not collected yet	1,308,390	1,058,024
Overdue interest of securities not collected yet	136,873	136,873
Overdue interest of deposits not collected yet	12,629	12,629
	<u>1,457,892</u>	<u>1,207,526</u>

37 WRITTEN-OFF BAD DEBTS

	30.6.2024 VND million	31.12.2023 VND million
Principals of written-off bad debts	4,674,695	4,847,815
Interest of written-off bad debts	2,561,049	2,527,342
Other written-off bad debts	3,145	3,145
	<u>7,238,889</u>	<u>7,378,302</u>

38 ASSETS AND OTHER DOCUMENTS

	30.6.2024 VND million	31.12.2023 VND million
Precious metals, gemstones under custody services	960,994	725,955
Other assets under custody services	247,501	247,501
Lease assets	(*)	(*)
Foreclosed assets waiting for settlement	2,107	2,107
Other valuable documents under safekeeping	29,739	29,295
	<u>1,240,341</u>	<u>1,004,858</u>

(*) The Group has not determined the value of lease assets because there is no guidance on determination of value of lease assets under current Vietnamese Accounting Standards, the Vietnamese Accounting System and relevant statutory requirements on preparation and presentation of the consolidated financial statements applicable to credit institutions.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

39 CONCENTRATION OF ASSETS, LIABILITIES AND OFF-BALANCE SHEET COMMITMENTS BY GEOGRAPHICAL AREA

		As at 30 June 2024							
	Deposits with and loans to other credit institutions VND million	Loans to customers VND million	Deposits and borrowings from other credit institutions VND million	Deposits from customers VND million	Credit commitments VND million	Derivatives (i) VND million	Held-for- trading and investment securities VND million	Total VND million	
Domestic	97,780,256	550,172,293	92,963,040	511,695,775	22,762,976	86,328,473	83,337,980	1,445,040,793	
Overseas	7,688,836	-	797,578	-	3,749,645	59,767	-	12,295,826	
	<u>105,469,092</u>	<u>550,172,293</u>	<u>93,760,618</u>	<u>511,695,775</u>	<u>26,512,621</u>	<u>86,388,240</u>	<u>83,337,980</u>	<u>1,457,336,619</u>	
		As at 31 December 2023							
	Deposits with and loans to other credit institutions VND million	Loans to customers VND million	Deposits and borrowings from other credit institutions VND million	Deposits from customers VND million	Credit commitments VND million	Derivatives (i) VND million	Held-for- trading and investment securities VND million	Total VND million	
Domestic	106,021,061	487,601,852	88,587,399	482,702,731	19,696,823	71,379,242	80,786,836	1,336,775,944	
Overseas	8,902,870	-	919,263	-	2,467,909	5,289	-	12,295,331	
	<u>114,923,931</u>	<u>487,601,852</u>	<u>89,506,662</u>	<u>482,702,731</u>	<u>22,164,732</u>	<u>71,384,531</u>	<u>80,786,836</u>	<u>1,349,071,275</u>	

(i) Represented the total contract value at foreign exchange rate at the contract date.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

40 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

(a) Transactions incurred during the period

During the period, there were the following transactions with related parties:

	The six-month period ended	
	30.6.2024	30.6.2023
	VND million	VND million
Interest income from loans to other related parties (i)	11,093	10,311
Interest expenses on deposits from other related parties (i)	19,334	39,479
Interest expenses on borrowings from other related parties (i)	2,002	654
Dividend income from other related parties (i)	-	27,931
	<u> </u>	<u> </u>

Remuneration, salary, bonus and other welfares of the Board of Directors, the Supervisory Board and the Board of Management were as follows:

	The six-month period ended	
	30.6.2024	30.6.2023
	Triệu VND	Triệu VND
Board of Directors	23,366	18,472
<i>In which, remuneration:</i>		
- Mr. Tran Hung Huy – Chairman	4,200	4,011
- Mr. Nguyen Thanh Long – Vice Chairman	1,860	1,716
- Mr. Hiep Van Vo – Member	1,150	813
- Ms. Dinh Thi Hoa – Member	720	622
- Ms. Dang Thu Thuy – Member	1,080	1,080
- Mr. Dam Van Tuan – Member	1,080	989
- Mr. Do Minh Toan – Member	1,080	540
- Mr. Nguyen Van Hoa – Member	1,224	468
- Mr. Trinh Bao Quoc – Independent Member	1,080	468
- Mr. Huang Yuan Chiang – Independent Member	-	297
Supervisory Board	6,610	5,745
Board of Management	42,809	74,375
<i>In which:</i>		
- Salary of General Director	5,633	4,837
	<u> </u>	<u> </u>

(b) Balances at the period-end/year-end

	30.6.2024	31.12.2023
	VND million	VND million
Loans to other related parties (i)	345,011	280,330
Deposits from other related parties (i)	1,181,045	725,417
Borrowings from other related parties (i)	61,700	61,700
Interest receivables from loans to other related parties (i)	2,521	1,399
Interest payables from deposits from other related parties (i)	12,222	15,283
Interest payables from borrowings from other related parties (i)	2,632	630
	<u> </u>	<u> </u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****40 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES (continued)**

- (i) Other related parties comprise key management personnel including members of the Board of Directors, members of the Supervisory Board, members of the Board of Management, Chief Financial Officer, Chief Accountant and close members of the family of these individuals and companies which these individuals directly or indirectly hold significant voting right or have significant influence over.

41 FINANCIAL RISK MANAGEMENT

The Group implements risk management by establishing an overall risk management framework and implementing risk components in accordance with regulatory requirements and the Group's business strategies for a certain period of time. The risk management principles and risk appetite defined by the Board of Directors are established on the basis of assessing material risks and their tolerance. The Board of Management is in charge of executing risk management into processes, regulations and limits to ensure all activities carried out by business units and function units in compliance with the given risk management framework and risk appetite.

Through the internal control system with three lines of defenses and complete risk management process (including identification, measurement, monitoring and risk control), risk management is owned and is managed by all units and employees across the Group in order to control, prevent, detect, timely handle risks and achieve the goals set by the Board of Directors.

The implementing, monitoring, evaluating of risk management activities and amending internal regulations are carried out periodically or when there are any changes in business environment, requirements from the SBV or the Group's business strategy.

Among different types of the Group's material risks, three types of financial risks that affect the Group's financial instruments comprise of credit risk, market risk, and liquidity risk.

(a) Credit risk

Credit risk arises when customers or counterparties fail to perform or are unable to perform their partial or full obligations under agreements with the Group.

The Group establishes credit risk policies and applies them to its whole credit process including identifying target customers, credit granting activities, credit underwriting activities, credit approval activities, credit management, non-performing credit management to comply with regulatory requirements and align with the Group's business strategy, risk management strategy and risk appetite.

The Group uses a variety of tools to manage credit risk, such as: (i) setting credit limits by industries, economic sectors, products, collateral types, (ii) developing and applying the internal credit rating system, (iii) implementing software systems for credit management to monitor and to analyse non-performing credit, and early credit risk warning system. Credit data and credit management results are periodically reported to relevant management units, the Board of Directors, Board Risk Committee, General Director and Risk Committee in order to timely handle and control risks according to the Group's risk appetite and business strategy.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

41 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Maximum exposure to credit risk before collaterals held or other credit enhancements

The maximum exposure to credit risk is the carrying amounts on the statement of financial position as well as off-balance sheet of financial instruments, without taking into account any collateral held or other credit enhancements. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Group would have to pay if the obligations of the instruments issued are called upon. For off-balance sheet commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers. The table below shows the maximum exposure to credit risk of the Group:

	Maximum exposure to credit risk	
	30.6.2024	31.12.2023
	VND million	VND million
Credit risk exposures relating to balance sheet assets:		
Balances with the State Bank of Vietnam	15,724,945	18,504,814
Deposits with and loans to other credit institutions	105,469,092	114,923,931
Held-for-trading debt securities	4,885,012	5,879,766
Loans to customers	550,172,293	487,601,852
Investment securities:		
- <i>Available-for-sale debt securities</i>	61,651,159	44,891,107
- <i>Held-to-maturity debt securities</i>	15,438,107	28,559,579
Other financial assets	6,510,074	7,313,749
	<u>759,850,682</u>	<u>707,674,798</u>
Credit risk exposures relating to off-balance sheet items:		
Off-balance sheet commitments	<u>26,512,621</u>	<u>22,164,732</u>

The above table represents the worst case with the maximum level of loss of the Group as at 30 June 2024 and 31 December 2023, not taking into account any collateral held or other credit enhancements. Collaterals held as at 30 June 2024 and 31 December 2023 were described in Note 34.1.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

41 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Credit quality

Financial assets exposed to credit risk were summarised as follows:

	As at 30 June 2024						
	Balances with the State Bank of Vietnam VND million	Deposits with and loans to other credit institutions VND million	Held-for-trading debt securities VND million	Loans to customers VND million	Investment debt securities VND million	Other financial assets VND million	Total VND million
Balances neither past due nor impaired	15,724,945	105,419,092	4,885,012	535,241,709	76,589,266	6,381,297	744,241,321
Balances past due but not impaired	-	-	-	3,444,171	-	282	3,444,453
Balances impaired	-	50,000	-	11,486,413	500,000	128,495	12,164,908
Less: Allowance	-	(50,000)	-	(6,319,255)	(12,420)	(124,744)	(6,506,419)
Net amount	<u>15,724,945</u>	<u>105,419,092</u>	<u>4,885,012</u>	<u>543,853,038</u>	<u>77,076,846</u>	<u>6,385,330</u>	<u>753,344,263</u>
Allowance							
Specific allowance	-	(50,000)	-	(2,174,597)	-	-	(2,224,597)
General allowance	-	-	-	(4,027,182)	-	-	(4,027,182)
Other allowance	-	-	-	(117,476)	(12,420)	(124,744)	(254,640)

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

41 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Credit quality (continued)

As at 31 December 2023

	Balances with the State Bank of Vietnam VND million	Deposits with and loans to other credit institutions VND million	Held-for- trading debt securities VND million	Loans to customers VND million	Investment debt securities VND million	Other financial assets VND million	Total VND million
Balances neither past due nor impaired	18,504,814	114,873,931	5,879,766	474,993,066	73,450,686	7,130,750	694,833,013
Balances past due but not impaired	-	-	-	2,585,814	-	249	2,586,063
Balances impaired	-	50,000	-	10,022,972	-	182,750	10,255,722
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Less: Allowance	-	(50,000)	-	(5,366,952)	-	(178,994)	(5,595,946)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net amount	18,504,814	114,873,931	5,879,766	482,234,900	73,450,686	7,134,755	702,078,852
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Allowance							
Specific allowance	-	(50,000)	-	(1,657,154)	-	-	(1,707,154)
General allowance	-	-	-	(3,592,322)	-	-	(3,592,322)
Other allowance	-	-	-	(117,476)	-	(178,994)	(296,470)
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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

41 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk

Market risk is the risk of losses due to adverse changes in interest rate, exchange rate, gold price, market price of securities and commodity price.

The Group manages market risk within the scope of risk limits set by internal regulations and SBV through risk measurement tools, models.

The Group develops tools to measure and continuously monitor potential losses, providing warnings to enhance management of scale and position limits, stop-loss limits, and maximum estimated fluctuation limits in line with risk appetite.

The Group monitors and limits market risk positions through various tools, including sensitivity analysis, Value-at-Risk (VaR), and stress testing.

(i) Interest rate risk

Interest rate risk (in the banking book) is the risk of losses due to adverse changes in interest rate against income, assets, liabilities and off-balance sheet commitments, generally arising from timing mismatch of repricing, changes in relationship amongst interest rate of different terms, impact from interest rate options, interest rate embedded options.

The Group balances the structure of proportions and maturities of liabilities and assets on the banking book to reduce the negative impact of interest rate fluctuations on net interest income and the economic value of equity, especially during times of significant interest rate fluctuations.

Stress testing of interest rate risk on the banking book is regularly conducted to identify the main economic risks that are likely to occur in stressful scenarios and the level of impact on the financial situation and core capital. Accordingly, the Group proactively assesses and implements effective risk management strategies and/or contingency actions, and determines its own capital requirements in the Internal Capital Adequacy Assessment Procedure (ICAAP) and its ability to absorb the decline in profits.

In addition, the Group conducts reverse stress testing to determine the extent to which interest rate volatility would cause net interest income and the economic value of equity to change beyond current risk limits and appetite.

Management of interest rate risk

The following table shows the Group's assets, liabilities and off-balance sheet items categorised by the repricing period at the reporting date.



**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

41 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

	Unit: VND million								
	Overdue	Non-interest bearing	Under 1 month	From 1 month to 3 months	From over 3 months to 6 months	From over 6 months to 12 months	From over 1 year to 5 years	Over 5 years	Total
As at 30 June 2024									
Assets									
Cash on hand, gold and gemstones	-	6,594,138	-	-	-	-	-	-	6,594,138
Balances with the State Bank of Vietnam	-	9,414,795	6,310,150	-	-	-	-	-	15,724,945
Deposits with and loans to other credit institutions (i)	-	50,000	56,736,929	41,702,410	5,681,761	1,297,992	-	-	105,469,092
Held-for-trading securities (i)	-	6,236,053	-	-	-	-	-	-	6,236,053
Loans to customers (i)	11,836,301	-	15,326,409	473,961,157	39,750,822	8,735,475	257,217	304,912	550,172,293
Investment securities (i)	-	12,661	-	-	-	29,538,883	7,297,260	40,253,123	77,101,927
Long-term investments (i)	-	292,867	-	-	-	-	-	-	292,867
Fixed assets	-	4,665,559	-	-	-	-	-	-	4,665,559
Investment property	-	177,005	-	-	-	-	-	-	177,005
Other assets (i)	124,353	9,894,804	26,814	-	-	-	-	-	10,045,971
Total assets	11,960,654	37,337,882	78,400,302	515,663,567	45,432,583	39,572,350	7,554,477	40,558,035	776,479,850
Liabilities									
Due to the Government and the State Bank of Vietnam	-	-	15,945	-	-	-	-	-	15,945
Deposits and borrowings from other credit institutions	-	-	36,916,540	47,414,586	6,704,738	2,724,754	-	-	93,760,618
Deposits from customers	-	-	117,416,403	150,265,160	131,023,156	82,041,261	30,949,795	-	511,695,775
Derivatives and other financial liabilities	-	61,832	-	-	-	-	-	-	61,832
Funds and entrusted investments received from the Government, international and other credit institutions	-	-	-	20,498	-	-	-	12,677	33,175
Valuable papers issued	-	-	-	-	-	28,150,000	36,387,967	2,415,248	66,953,215
Other liabilities	-	22,117,545	-	-	-	158,417	89,500	-	22,365,462
Total liabilities	-	22,179,377	154,348,888	197,700,244	137,727,894	113,074,432	67,427,262	2,427,925	694,886,022
Interest sensitivity gap of balance sheet items	11,960,654	15,158,505	(75,948,586)	317,963,323	(92,295,311)	(73,502,082)	(59,872,785)	38,130,110	81,593,828
Interest sensitivity gap of off-balance sheet items (net)	-	860,078	-	(51,750)	(243,798)	(739,319)	-	-	(174,789)
Total sensitivity interest gap	11,960,654	16,018,583	(75,948,586)	317,911,573	(92,539,109)	(74,241,401)	(59,872,785)	38,130,110	81,419,039

(i) These items do not include the allowance.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

41 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

Unit: VND million

	Overdue	Non-interest bearing	Under 1 month	From 1 month to 3 months	From over 3 months to 6 months	From over 6 months to 12 months	From over 1 year to 5 years	Over 5 years	Total
As at 31 December 2023									
Assets									
Cash on hand, gold and gemstones	-	6,909,300	-	-	-	-	-	-	6,909,300
Balances with the State Bank of Vietnam	-	18,504,814	-	-	-	-	-	-	18,504,814
Deposits with and loans to other credit institutions (i)	-	50,000	74,262,784	36,388,879	2,664,798	1,127,900	429,570	-	114,923,931
Held-for-trading securities (i)	-	7,323,489	-	-	-	-	-	-	7,323,489
Loans to customers (i)	8,804,561	-	12,647,935	438,318,633	24,521,207	2,801,019	241,912	266,585	487,601,852
Investment securities (i)	-	12,661	-	-	3,174,695	20,043,215	4,963,845	45,268,931	73,463,347
Long-term investments (i)	-	303,387	-	-	-	-	-	-	303,387
Fixed assets	-	4,762,561	-	-	-	-	-	-	4,762,561
Investment property	-	177,005	-	-	-	-	-	-	177,005
Other assets (i)	177,999	10,565,467	6,956	-	-	-	-	-	10,750,422
Total assets	8,982,560	48,608,684	86,917,675	474,707,512	30,360,700	23,972,134	5,635,327	45,535,516	724,720,108
Liabilities									
Due to the Government and the State Bank of Vietnam	-	-	88	-	-	-	-	-	88
Deposits and borrowings from other credit institutions	-	-	50,545,118	34,109,131	4,841,505	10,908	-	-	89,506,662
Deposits from customers	-	-	115,477,371	126,534,672	147,863,563	54,667,521	38,159,604	-	482,702,731
Derivatives and other financial liabilities	-	117,126	-	-	-	-	-	-	117,126
Funds and entrusted investments received from the Government, international and other credit institutions	-	-	-	26,854	-	-	-	14,680	41,534
Valuable papers issued	-	-	-	-	-	13,750,000	36,246,410	2,413,604	52,410,014
Other liabilities	-	22,233,956	-	-	343,400	350,117	133,000	-	23,060,473
Total liabilities	-	22,351,082	166,022,577	160,670,657	153,048,468	68,778,546	74,539,014	2,428,284	647,838,628
Interest sensitivity gap of balance sheet items	8,982,560	26,257,602	(79,104,902)	314,036,855	(122,687,768)	(44,806,412)	(68,903,687)	43,107,232	76,881,480
Interest sensitivity gap of off-balance sheet items (net)	-	163,283	-	27,256	(564,237)	(242,817)	609,250	-	(7,265)
Total interest sensitivity gap	8,982,560	26,420,885	(79,104,902)	314,064,111	(123,252,005)	(45,049,229)	(68,294,437)	43,107,232	76,874,215

(i) These items do not include the allowance.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****41 FINANCIAL RISK MANAGEMENT (continued)****(b) Market risk (continued)****(ii) Currency risk**

Currency risk (also referred to as exchange rate risk) is the risk of losses due to adverse changes in foreign exchange rate and gold price when the Group holds an open foreign currency or gold position. The Group was established and operates in Vietnam and the accounting currency is VND. Major transactions of the Group are also in VND. The Group's loans to customers were mainly denominated in VND and USD. However, some other assets of the Group are denominated in foreign currencies other than USD. The Board of Management sets limits on the level of exposure by each currency, including gold. The currency position is monitored daily and the Group takes risk mitigation actions to ensure that the currency position is within the set limit.

Management of currency risk

The following table shows the Group's assets, liabilities and equity categorised by currencies which were translated into VND at the reporting date.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

41 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Currency risk (continued)

	USD	Gold	EUR	JPY	AUD	CAD	Others	Unit: VND million Total
As at 30 June 2024								
Assets								
Cash on hand, gold and gemstones	903,079	9,172	3,238	1,234	35,389	16,134	1,578	969,824
Balances with the State Bank of Vietnam	984,209	-	-	-	-	-	-	984,209
Deposits with and loans to other credit institutions (i)	23,910,309	-	255,930	4,424,192	55,673	21,857	106,049	28,774,010
Loans to customers (i)	13,417,680	3,065	-	-	-	-	-	13,420,745
Other assets (i)	1,218,653	4,679	13,255	43,057	-	-	347	1,279,991
Total assets	40,433,930	16,916	272,423	4,468,483	91,062	37,991	107,974	45,428,779
Liabilities								
Deposits and borrowings from other credit institutions	6,869,953	-	13,233	42,992	-	-	-	6,926,178
Deposits from customers	12,670,551	-	233,357	718,594	69,073	5,917	39,091	13,736,583
Derivatives and other financial liabilities	20,811,963	-	68,298	3,416,333	-	44,177	-	24,340,771
Funds and entrusted investments received from the Government, international and other credit institutions	-	-	-	12,677	-	-	-	12,677
Other liabilities	288,418	-	16,064	10,808	21,387	4,221	10,522	351,420
Total liabilities	40,640,885	-	330,952	4,201,404	90,460	54,315	49,613	45,367,629
FX position on-balance sheet	(206,955)	16,916	(58,529)	267,079	602	(16,324)	58,361	61,150
FX position off-balance sheet	879,265	-	40,979	3,488	3,063	-	(273,840)	652,955
FX position on and off-balance sheet	672,310	16,916	(17,550)	270,567	3,665	(16,324)	(215,479)	714,105

(i) These items do not include allowance.



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

41 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Currency risk (continued)

	USD	Gold	EUR	JPY	AUD	CAD	Others	Unit: VND million Total
As at 31 December 2023								
Assets								
Cash on hand, gold and gemstones	966,769	266,634	3,330	1,722	18,059	16,383	2,427	1,275,324
Balances with the State Bank of Vietnam	9,203,634	-	-	-	-	-	-	9,203,634
Deposits with and loans to other credit institutions (i)	32,526,270	-	211,224	5,701,721	55,929	40,469	88,845	38,624,458
Loans to customers (i)	10,745,345	3,056	-	-	-	-	-	10,748,401
Other assets (i)	1,554,546	4,424	9,539	42,804	-	-	6	1,611,319
Total assets	54,996,564	274,114	224,093	5,746,247	73,988	56,852	91,278	61,463,136
Liabilities								
Deposits and borrowings from other credit institutions	4,197,750	-	9,520	42,710	-	-	-	4,249,980
Deposits from customers	11,443,270	-	180,007	674,390	59,219	24,215	40,261	12,421,362
Derivatives and other financial liabilities	42,130,028	-	5,360	4,805,912	-	18,329	24,578	46,984,207
Funds and entrusted investments received from the Government, international and other credit institutions	-	-	-	14,680	-	-	-	14,680
Other liabilities	481,310	-	19,077	3,003	11,490	6,310	9,925	531,115
Total liabilities	58,252,358	-	213,964	5,540,695	70,709	48,854	74,764	64,201,344
FX position on-balance sheet	(3,255,794)	274,114	10,129	205,552	3,279	7,998	16,514	(2,738,208)
FX position off-balance sheet	800,271	-	8,845	(17,039)	6,615	-	23,888	822,580
FX position on and off-balance sheet	(2,455,523)	274,114	18,974	188,513	9,894	7,998	40,402	(1,915,628)

(i) These items do not include allowance.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****41 FINANCIAL RISK MANAGEMENT (continued)****(b) Market risk (continued)****(iii) Equity price risk**

The stock price risk is the risk of losses due to adverse changes in market price of securities or derivative securities recognised in the Group's trading book.

The price risk relating to held-for-trading equity securities is managed through the analysis of the market movement and investment decision is made based on the purpose of gaining profit in the short term. Investments in available-for-sale equity securities are made based on business purpose of the Group, taking into account the diversification in the investment portfolio. The Bank does not hold held-for-trading equity securities as prescribed by Law on credit institutions.

(iv) Sensitivity analysis

Changes in market risks can result in increase/decrease of the profit which the Group has recognised.

The sensitivity assessment of market risk can be made based on changes in main risk factors such as interest rate, currency exchange rate and share prices while other factors are kept constant. The Group will analyse and present the sensitivity analysis of its market risks when it has detailed guidance from the regulators.

(c) Liquidity risk

Liquidity risk is the risk that the Group is unable to fulfill its repayment obligations when due; or the Group is able to perform its obligations upon maturity but must pay higher costs than the market's average cost.

Liquidity risk is managed centrally through a liquidity risk management framework to ensure that all payment obligations are met on time and in accordance with internal and the SBV regulations.

The Group manages liquidity risk by implementing international standards for internal liquidity adequacy assessment process, ensuring that the Group has a clear strategy, regulations, and systems in place to identify, measure, monitor, and control liquidity risk effectively. In addition, the Group conducts regular reviews of its liquidity risk tolerance and risk appetite, as well as assessments of its liquidity management and capital adequacy.

The Group's liquidity risk management strategy is applied under both normal conditions and unfavorable movements of liquidity, including maintaining sufficient liquid assets, performing daily liquidity management, regularly assessing the capital ability to meet liquidity needs and complying with the regulations of the SBV on liquidity management.

Stress testing is conducted regularly to assess the level of liquidity needed to withstand internal and external shocks. The results of stress testing are used to propose measures to mitigate risk, allocate financial resources and review the contingency plan for liquidity as well as to assess business plans that may have a negative impact on liquidity.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

41 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

The contingency plan for liquidity is always ensured to be effective and feasible, outlining minimum actions to be taken and allowing for flexibility in specific conditions to enable the Group to respond promptly to different scenarios.

Management of liquidity risk

The following table shows the Group's assets and liabilities categorised by the actual contractual maturities at the reporting date.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

41 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

Unit: VND million

	Overdue		Current					Total
	Over 3 months	Up to 3 months	Up to 1 month	From over 1 month to 3 months	From over 3 months to 12 months	From over 1 year to 5 years	Over 5 years	
As at 30 June 2024								
Assets								
Cash on hand, gold and gemstones	-	-	6,594,138	-	-	-	-	6,594,138
Balances with the State Bank of Vietnam	-	-	15,724,945	-	-	-	-	15,724,945
Deposits with and loans to other credit institutions (i)	-	-	93,118,526	10,591,368	1,759,198	-	-	105,469,092
Held-for-trading securities (i)	-	-	6,236,053	-	-	-	-	6,236,053
Loans to customers (i)	6,581,939	5,254,362	38,608,431	91,422,973	241,314,863	23,887,119	143,102,606	550,172,293
Investment securities (i)	-	-	456,604	3,689,252	24,785,437	15,010,110	33,160,524	77,101,927
Long-term investments (i)	-	-	-	-	-	-	292,867	292,867
Fixed assets	-	-	-	-	-	-	4,665,559	4,665,559
Investment property	-	-	-	-	-	-	177,005	177,005
Other assets (i)	124,228	125	9,921,618	-	-	-	-	10,045,971
Total assets	6,706,167	5,254,487	170,660,315	105,703,593	267,859,498	38,897,229	181,398,561	776,479,850
Liabilities								
Due to the Government and the State Bank of Vietnam	-	-	15,945	-	-	-	-	15,945
Deposits and borrowings from other credit institutions	-	-	77,919,864	7,507,134	8,332,697	923	-	93,760,618
Deposits from customers	-	-	243,713,370	108,559,438	156,119,607	3,299,256	4,104	511,695,775
Derivatives and other financial liabilities	-	-	61,832	-	-	-	-	61,832
Funds and entrusted investments received from the Government, international and other credit institutions	-	-	-	2,663	7,548	18,738	4,226	33,175
Valuable papers issued	-	-	2,999,972	2,399,986	28,748,695	32,574,566	229,996	66,953,215
Other liabilities	-	-	22,213,937	53,270	98,255	-	-	22,365,462
Total liabilities	-	-	346,924,920	118,522,491	193,306,802	35,893,483	238,326	694,886,022
Net liquidity gap	6,706,167	5,254,487	(176,264,605)	(12,818,898)	74,552,696	3,003,746	181,160,235	81,593,828

(i) These items do not include the allowance.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

41 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

Unit: VND million

	Overdue		Current					Total
	Over 3 months	Up to 3 months	Up to 1 month	From over 1 month to 3 months	From over 3 months to 12 months	From over 1 year to 5 years	Over 5 years	
As at 31 December 2023								
Assets								
Cash on hand, gold and gemstones	-	-	6,909,300	-	-	-	-	6,909,300
Balances with the State Bank of Vietnam	-	-	18,504,814	-	-	-	-	18,504,814
Deposits with and loans to other credit institutions (i)	-	-	97,443,634	13,538,679	3,891,618	50,000	-	114,923,931
Held-for-trading securities (i)	-	-	7,323,489	-	-	-	-	7,323,489
Loans to customers (i)	4,872,897	3,931,664	30,871,062	79,285,228	217,156,332	24,414,650	127,070,019	487,601,852
Investment securities (i)	-	-	2,396,815	5,970,674	20,679,947	8,890,378	35,525,533	73,463,347
Long-term investments (i)	-	-	-	-	-	-	303,387	303,387
Fixed assets	-	-	-	-	-	-	4,762,561	4,762,561
Investment property	-	-	-	-	-	-	177,005	177,005
Other assets (i)	177,897	102	10,572,423	-	-	-	-	10,750,422
Total assets	5,050,794	3,931,766	174,021,537	98,794,581	241,727,897	33,355,028	167,838,505	724,720,108
Liabilities								
Due to the Government and the State Bank of Vietnam	-	-	88	-	-	-	-	88
Deposits and borrowings from other credit institutions	-	-	74,738,653	11,332,351	3,434,735	923	-	89,506,662
Deposits from customers	-	-	244,151,446	104,021,611	130,177,495	4,348,271	3,908	482,702,731
Derivatives and other financial liabilities	-	-	117,126	-	-	-	-	117,126
Funds and entrusted investments received from the Government, international and other credit institutions	-	-	-	3,531	9,325	23,173	5,505	41,534
Valuable papers issued	-	-	900,000	4,599,994	25,597,117	21,082,907	229,996	52,410,014
Other liabilities	-	-	22,266,956	134,900	658,617	-	-	23,060,473
Total liabilities	-	-	342,174,269	120,092,387	159,877,289	25,455,274	239,409	647,838,628
Net liquidity gap	5,050,794	3,931,766	(168,152,732)	(21,297,806)	81,850,608	7,899,754	167,599,096	76,881,480

(i) These items do not include the allowance.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

41 FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value of financial assets and financial liabilities

Circular No. 210/2009/TT-BTC dated 6 November 2009 issued by the Ministry of Finance requires the Group to disclose the measurement method and related information about fair value of financial assets and financial liabilities for the purpose of comparing book values and fair values of these financial instruments.

The Group has not determined fair values of these financial instruments for disclosure in these consolidated interim financial statements because there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards, the Vietnamese Accounting System and relevant statutory requirements on preparation and presentation of consolidated interim financial statements applicable to credit institutions. The fair values of these financial instruments may differ from their carrying amounts.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

42 SEGMENT REPORTING

42.1 Business segments

	For the six-month period ended 30 June 2024						
	Banking VND million	Securities trading VND million	Asset management VND million	Finance leasing VND million	Fund management VND million	Elimination VND million	Total VND million
Income							
1. Interest income	23,934,666	492,413	544	88,749	1,644	(55,710)	24,462,306
<i>External interest income</i>	23,908,937	464,016	1	88,732	620	-	24,462,306
<i>Internal interest income</i>	25,729	28,397	543	17	1,024	(55,710)	-
2. Fee and commission income	2,483,594	218,541	-	-	1,328	(42)	2,703,421
3. Other income	1,411,865	199,593	-	180	244	(7,907)	1,603,975
Expenses							
1. Interest expenses	(10,512,179)	(158,603)	-	(27,673)	-	69,173	(10,629,282)
<i>External interest expenses</i>	(10,482,198)	(158,603)	-	(1,944)	-	13,463	(10,629,282)
<i>Internal interest expenses</i>	(29,981)	-	-	(25,729)	-	55,710	-
2. Depreciation and amortisation expenses	(207,362)	(12,024)	-	(272)	(8)	-	(219,666)
3. Other operating expenses	(5,979,491)	(338,683)	441	(18,562)	(1,486)	7,950	(6,329,831)
Operating profit before allowance expenses for credit losses	11,131,093	401,237	985	42,422	1,722	13,464	11,590,923
Allowance expenses for credit losses	(1,096,615)	-	-	(3,752)	-	-	(1,100,367)
Profit before tax	10,034,478	401,237	985	38,670	1,722	13,464	10,490,556

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

42 SEGMENT REPORTING (continued)

42.1 Business segments (continued)

	For the six-month period ended 30 June 2023						Total VND million
	Banking VND million	Securities trading VND million	Asset management VND million	Finance leasing VND million	Fund management VND million	Elimination VND million	
Income							
1. Interest income	26,574,854	221,246	1,293	83,901	1,962	(75,380)	26,807,876
<i>External interest income</i>	26,546,142	177,833	2	83,888	11	-	26,807,876
<i>Internal interest income</i>	28,712	43,413	1,291	13	1,951	(75,380)	-
2. Fee and commission income	2,203,484	133,753	-	-	838	(31)	2,338,044
3. Other income	1,983,521	112,314	248	3,655	-	(912)	2,098,826
Expenses							
1. Interest expenses	(14,382,490)	(61,924)	-	(29,102)	-	126,466	(14,347,050)
<i>External interest expenses</i>	(14,335,822)	(61,924)	-	(390)	-	51,086	(14,347,050)
<i>Internal interest expenses</i>	(46,668)	-	-	(28,712)	-	75,380	-
2. Depreciation and amortisation expenses	(177,705)	(11,179)	-	(112)	(8)	-	(189,004)
3. Other operating expenses	(5,568,635)	(174,550)	(106)	(14,128)	(1,472)	1,050	(5,757,841)
Operating profit before allowance expenses for credit losses	10,633,029	219,660	1,435	44,214	1,320	51,193	10,950,851
Allowance expenses for credit losses	(952,437)	-	-	(9,470)	-	-	(961,907)
Profit before tax	9,680,592	219,660	1,435	34,744	1,320	51,193	9,988,944

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

42 SEGMENT REPORTING (continued)

42.1 Business segments (continued)

As at 30 June 2024	Banking VND million	Securities trading VND million	Asset management VND million	Finance leasing VND million	Fund management VND million	Elimination VND million	Total VND million
Assets							
1. Cash on hand, gold and gemstones	6,594,133	-	5	-	-	-	6,594,138
2. Fixed assets	4,592,861	68,199	-	4,478	21	-	4,665,559
3. Other assets	744,484,695	22,425,223	216,149	1,887,678	58,739	(10,653,481)	758,419,003
	<u>755,671,689</u>	<u>22,493,422</u>	<u>216,154</u>	<u>1,892,156</u>	<u>58,760</u>	<u>(10,653,481)</u>	<u>769,678,700</u>
Liabilities							
1. External liabilities	672,737,510	13,575,188	154,955	1,237,401	323	(3,078,988)	684,626,389
2. Internal liabilities	1,217,607	36,006	71	6,146	554	-	1,260,384
3. Other liabilities	8,998,205	983	61	-	-	-	8,999,249
	<u>682,953,322</u>	<u>13,612,177</u>	<u>155,087</u>	<u>1,243,547</u>	<u>877</u>	<u>(3,078,988)</u>	<u>694,886,022</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

42 SEGMENT REPORTING (continued)

42.1 Business segments (continued)

As at 31 December 2023	Banking VND million	Securities trading VND million	Asset management VND million	Finance leasing VND million	Fund management VND million	Elimination VND million	Total VND million
Assets							
1. Cash on hand, gold and gemstones	6,909,295	-	5	-	-	-	6,909,300
2. Fixed assets	4,680,080	78,597	-	3,855	29	-	4,762,561
3. Other assets	700,125,546	11,683,583	210,847	1,764,940	57,531	(6,719,719)	707,122,728
	<u>711,714,921</u>	<u>11,762,180</u>	<u>210,852</u>	<u>1,768,795</u>	<u>57,560</u>	<u>(6,719,719)</u>	<u>718,794,589</u>
Liabilities							
1. External liabilities	631,991,218	6,151,512	149,945	1,147,192	272	(2,130,278)	637,309,861
2. Internal liabilities	1,438,543	47,737	70	4,587	782	-	1,491,719
3. Other liabilities	9,033,411	3,575	62	-	-	-	9,037,048
	<u>642,463,172</u>	<u>6,202,824</u>	<u>150,077</u>	<u>1,151,779</u>	<u>1,054</u>	<u>(2,130,278)</u>	<u>647,838,628</u>

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

42 SEGMENT REPORTING (continued)

42.2 Geographical segments

	The Northern region VND million	The Central region VND million	The Southern region VND million	Elimination VND million	Total VND million
As at 30 June 2024					
Assets	116,069,196	83,005,121	736,215,336	(165,610,953)	769,678,700
Liabilities	114,817,840	82,444,643	655,658,921	(158,035,382)	694,886,022
For the six-month period ended 30 June 2024					
Profit before tax	<u>1,256,047</u>	<u>579,462</u>	<u>8,641,583</u>	<u>13,464</u>	<u>10,490,556</u>
	The Northern region VND million	The Central region VND million	The Southern region VND million	Elimination VND million	Total VND million
As at 31 December 2023					
Assets	106,951,257	73,218,068	689,239,269	(150,614,005)	718,794,589
Liabilities	104,398,802	71,706,464	617,757,925	(146,024,563)	647,838,628
For the six-month period ended 30 June 2023					
Profit before tax	<u>1,401,367</u>	<u>877,096</u>	<u>7,659,288</u>	<u>51,193</u>	<u>9,988,944</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

43. SEASONAL OR CYCLICAL FACTORS




The Group's consolidated interim financial statements are not affected by seasonal or cyclical factors except for the following items:

(a) Foreign exchange differences

As described in Notes 3(b), 3(l) and 3(n), unrealised foreign exchange differences are recognised in the foreign exchange revaluation reserve on the consolidated statement of financial position at each month-end and are transferred to the consolidated statement of profit or loss at the year-end.

(b) Statutory reserves

The Group is required to make appropriation to reserve to supplement charter capital and financial reserve annually. The Group only makes appropriation to the statutory reserves at the year-end.

 <hr/> Duong Thi Nguyet Chief Accountant	 <hr/> Bui Tan Tai (*) Deputy General Director	 <hr/> Tran Hung Huy Chairman 12 August 2024
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(*) *Authorised signature on financial statements according to Letter of Authorisation No. D64/UQ-BTGD.24 dated 8 August 2024 by the General Director.*