



Asia Commercial Joint Stock Bank

Consolidated financial statements
for the year ended 31 December 2023



ASIA COMMERCIAL JOINT STOCK BANK

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS	PAGES
Bank information	1
Statement of the Board of Management	2
Independent auditor's report	3
The consolidated statement of financial position (Form B02/TCTD-HN issued in accordance with Circular No. 49/2014/TT-NHNN dated 31 December 2014 and amended and supplemented by Circular No. 27/2021/TT-NHNN dated 31 December 2021 ("Form B02/TCTD-HN"))	5
The consolidated statement of profit or loss (Form B03/TCTD-HN issued in accordance with Circular No. 49/2014/TT-NHNN dated 31 December 2014 and amended and supplemented by Circular No. 27/2021/TT-NHNN dated 31 December 2021 ("Form B03/TCTD-HN"))	8
The consolidated statement of cash flows (Form B04/TCTD-HN issued in accordance with Circular No. 49/2014/TT-NHNN dated 31 December 2014 and amended and supplemented by Circular No. 27/2021/TT-NHNN dated 31 December 2021 ("Form B04/TCTD-HN"))	9
Notes to the consolidated financial statements (Form B05/TCTD-HN issued in accordance with Circular No. 49/2014/TT-NHNN dated 31 December 2014 and amended and supplemented by Circular No. 27/2021/TT-NHNN dated 31 December 2021 ("Form B05/TCTD-HN"))	11

ASIA COMMERCIAL JOINT STOCK BANK

BANK INFORMATION

Operation Licence	No. 91/GP-NHNN dated 19 September 2018	
	The Operation Licence was issued by the State Bank of Vietnam and updated on 11 July 2023. In accordance with the Operation Licence, the operation period of the Bank is 50 years from 24 April 1993.	
Business Registration Certificate	No. 0301452948 dated 19 May 1993	
	The Business Registration Certificate has been amended several times with the most recent certificate dated 26 June 2023. The initial Business Registration Certificate and its amendments were issued by the Department of Planning and Investment of Ho Chi Minh City.	
Board of Directors	Mr. Tran Hung Huy Mr. Nguyen Thanh Long Mr. Hiep Van Vo Ms. Dinh Thi Hoa Ms. Dang Thu Thuy Mr. Dam Van Tuan Mr. Do Minh Toan Mr. Nguyen Van Hoa Mr. Trinh Bao Quoc Mr. Huang Yuan Chiang	Chairman Vice Chairman Member (from 13 April 2023) Independent Member (until 12 April 2023) Member Member Member Member (from 13 April 2023) Member (from 13 April 2023) Independent Member (from 13 April 2023) Independent Member (until 12 April 2023)
Supervisory Board	Mr. Huynh Nghia Hiep Ms. Nguyen Thi Minh Lan Ms. Hoang Ngan Ms. Phung Thi Tot	Head of Supervisory Board Specialised Member Specialised Member Member (until 12 April 2023)
Board of Management	Mr. Tu Tien Phat Mr. Dam Van Tuan Mr. Bui Tan Tai Mr. Nguyen Duc Thai Han Ms. Nguyen Thi Hai Ms. Nguyen Thi Tuyet Van Mr. Nguyen Van Hoa Mr. Nguyen Khac Nguyen Mr. Ngo Tan Long	General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director Deputy General Director (from 12 January 2023)
Legal of Representative	Mr. Tu Tien Phat	General Director
Registered office	442 Nguyen Thi Minh Khai Street, Ward 5, District 3, Ho Chi Minh City, Vietnam	
Auditor	KPMG Limited Vietnam	

ASIA COMMERCIAL JOINT STOCK BANK

STATEMENT OF THE BOARD OF MANAGEMENT

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

The Board of Management of Asia Commercial Joint Stock Bank ("the Bank") is responsible for preparing the consolidated financial statements as set out on pages 5 to 96 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 31 December 2023 and the consolidated results of its operations and consolidated cash flows for the year then ended. In preparing these consolidated 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 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 financial statements to be prepared in compliance with the basis of accounting set out in Note 2 to the consolidated 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 FINANCIAL STATEMENTS

I, Tu Tien Phat, on behalf of the Board of Management, hereby approve the accompanying consolidated financial statements as set out on pages 5 to 96 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of the consolidated results of its operations and of its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and relevant statutory requirements on preparation and presentation of consolidated financial statements applicable to credit institutions operating in Vietnam.

On behalf of the Board of Management



Tu Tien Phat
General Director

Ho Chi Minh City, Vietnam
26 February 2024



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10th Floor, Sun Wah Tower
115 Nguyen Hue Street, Ben Nghe Ward
District 1, Ho Chi Minh City, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders Asia Commercial Joint Stock Bank

We have audited the accompanying consolidated 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 31 December 2023, the consolidated statement of profit or loss and the consolidated statement of cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Management on 26 February 2024, as set out on pages 5 to 96.

The Board of Management's Responsibility

The Bank's Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements 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 financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Asia Commercial Joint Stock Bank and its subsidiaries as at 31 December 2023, and of their consolidated results of operations and their consolidated cash flows for the year 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 financial reporting.

KPMG Limited's Branch in Ho Chi Minh City

Vietnam

Audit Report No.: 23-01-00441-24-2



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, 26 February 2024

THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
	Note	31.12.2023 VND million	31.12.2022 VND million
A ASSETS			
I Cash on hand, gold and gemstones	4	6,909,300	8,460,892
II Balances with the State Bank of Vietnam	5	18,504,814	13,657,531
III Deposits with and loans to other credit institutions	6	114,873,931	85,971,313
1 Deposits with other credit institutions		114,644,002	82,338,762
2 Loans to other credit institutions		279,929	3,682,551
3 Allowance for credit losses	6.3	(50,000)	(50,000)
IV Held-for-trading securities	7	7,177,069	1,131,327
1 Held-for-trading securities		7,323,489	1,320,941
2 Allowance for losses on held-for-trading securities	7.4	(146,420)	(189,614)
V Derivatives and other financial assets	8	-	100,072
VI Loans to customers	9	482,234,900	408,856,508
1 Loans to customers		487,601,852	413,706,244
2 Allowance for losses on loans to customers	9.7	(5,366,952)	(4,849,736)
VIII Investment securities	10	73,463,347	75,534,794
1 Available-for-sale securities	10.1	44,903,768	31,854,915
2 Held-to-maturity securities	10.1	28,559,579	43,679,879
IX Long-term investments	11	140,025	146,814
4 Other long-term investments	11.2	303,387	303,387
5 Allowance for diminution in value of long-term investments	11.3	(163,362)	(156,573)
X Fixed assets	12	4,762,561	3,981,376
1 Tangible fixed assets	12.1	3,317,568	2,849,732
a Cost		6,256,911	5,523,787
b Accumulated depreciation		(2,939,343)	(2,674,055)
3 Intangible fixed assets	12.2	1,444,993	1,131,644
a Cost		2,101,677	1,709,488
b Accumulated amortisation		(656,684)	(577,844)
XI Investment property	13	177,005	177,005
a Cost		177,005	177,005
b Accumulated depreciation		-	-
XII Other assets	14	10,551,637	9,857,553
1 Receivables	14.1	5,316,951	4,756,992
2 Accrued interest and fee receivable		4,282,669	4,089,550
3 Deferred tax assets	14.2	33,722	63,966
4 Other assets	14.3	1,117,080	1,143,212
5 Allowance for losses on other assets	14.4	(198,785)	(196,167)
TOTAL ASSETS		718,794,589	607,875,185

The notes on pages 11 to 96 are an integral part of these consolidated financial statements.

THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

		As at	
	Note	31.12.2023 VND million	31.12.2022 VND million
B	LIABILITIES AND OWNERS' EQUITY		
I	Due to the Government and the State Bank of Vietnam	88	505,876
1	Deposits and borrowings from the Government and the State Bank of Vietnam	88	505,876
II	Deposits and borrowings from other credit institutions	16	89,506,662
1	Deposits from other credit institutions	80,719,473	60,002,732
2	Borrowings from other credit institutions	8,787,189	7,838,108
III	Deposits from customers	17	482,702,731
IV	Derivatives and other financial liabilities	8	117,126
V	Funds and entrusted investments received from the Government, international and other credit institutions	18	41,534
VI	Valuable papers issued	19	52,410,014
VII	Other liabilities		23,060,473
1	Accrued interest and fee payable	7,682,185	5,564,271
3	Other liabilities	20 15,378,288	17,208,191
	TOTAL LIABILITIES	647,838,628	549,436,522
VIII	OWNERS' EQUITY	21	70,955,961
1	Capital	39,112,283	34,046,130
a	Charter capital	38,840,504	33,774,351
c	Share premium	271,779	271,779
2	Reserves	11,557,435	9,220,125
5	Retained profits	20,286,243	15,172,408
a	Net profits for the year	13,707,404	11,632,365
b	Retained profits of prior years	6,578,839	3,540,043
	TOTAL OWNERS' EQUITY	70,955,961	58,438,663
	TOTAL LIABILITIES AND OWNERS' EQUITY	718,794,589	607,875,185

The notes on pages 11 to 96 are an integral part of these consolidated financial statements.


THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

OFF-BALANCE SHEET ITEMS


			As at	
		Note	31.12.2023 VND million	31.12.2022 VND million
1	Borrowing guarantees	39.1	42,766	55,386
2	Commitments on foreign exchange transactions	39.1	134,953,935	62,044,742
	<i>Commitments on purchases of foreign currency</i>		1,527,131	946,516
	<i>Commitments on sales of foreign currency</i>		704,551	1,178,698
	<i>Commitments on swap transactions</i>		132,722,253	59,919,528
4	Letters of credit	39.1	2,183,846	2,777,938
5	Other guarantees	39.1	11,922,874	9,579,729
6	Other commitments	39.1	14,410,228	6,490,910
7	Overdue interest and fee receivable not collected yet	40	1,207,526	1,170,894
8	Written-off bad debts	41	7,378,302	6,757,296
9	Assets and other documents	42	1,004,858	968,751



Duong Thi Nguyet
Chief Accountant



Tu Tien Phat
General Director
Legal Representative




Dam Van Tuan (*)
Member of the Board of Directors
26 February 2024




(*) Authorised signature on financial statements according to Letter of Authorisation No. 233/UQ - HDQT.24 dated 23 February 2024 by the Chairman.

THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the year ended 31 December	
	Note	2023 VND million	2022 VND million
1 Interest and similar income	22	52,346,796	40,698,834
2 Interest and similar expenses	23	(27,387,226)	(17,165,305)
I Net interest income		24,959,570	23,533,529
3 Fee and commission income	24	4,945,751	5,057,559
4 Fee and commission expenses	25	(2,023,414)	(1,531,315)
II Net fee and commission income		2,922,337	3,526,244
III Net gain from trading of foreign currencies	26	1,110,105	1,048,369
IV Net gain/(loss) from trading of held-for-trading securities	27	168,383	(387,873)
V Net gain from trading of investment securities	28	2,647,140	20,648
5 Other income		1,197,217	1,110,494
6 Other expenses		(333,846)	(120,800)
VI Net other income	29	863,371	989,694
VII Income from investments in other entities	30	75,610	59,456
VIII Operating expenses	31	(10,874,286)	(11,605,045)
IX Operating profit before allowance expenses for credit losses		21,872,230	17,185,022
X Allowance expenses for credit losses	32	(1,804,231)	(70,814)
XI Profit before tax		20,067,999	17,114,208
7 Current corporate income tax	33.1	(3,993,022)	(3,445,611)
8 Deferred corporate income tax (expense)/income	33.2	(30,244)	19,596
XII Total corporate income tax	33	(4,023,266)	(3,426,015)
XIII Profit after tax		16,044,733	13,688,193
XV Earnings per share (VND/share)	34	4,092	3,486


Duong Thi Nguyet
Chief Accountant


Tu Tien Phat
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Member of the Board of Directors
26 February 2024

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The notes on pages 11 to 96 are an integral part of these consolidated financial statements.

THE CONSOLIDATED STATEMENT OF CASH FLOWS
(Direct method)

		For the year ended 31 December	
		2023	2022
Note		VND million	VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Interest and similar income received	52,153,677	39,781,160
02	Interest and similar expenses paid	(25,262,835)	(16,232,032)
03	Net fee and commission income received	2,357,768	3,526,244
04	Net receipts from trading activities (foreign currencies, gold and securities)	3,882,434	797,113
05	Other (expenses)/income	(18,340)	152,049
06	Collection of bad debts previously written-off	880,179	786,804
07	Salaries and operating expenses paid	(10,567,861)	(10,817,313)
08	Income tax paid during the year	(4,003,037)	(1,580,115)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES		19,421,985	16,413,910
Changes in operating assets			
09	Decrease in deposits with and loans to other credit institutions	127,308	2,848,001
10	Increase in held-for-trading securities and investment securities	(3,695,212)	(6,448,600)
11	Decrease in derivatives and other financial assets	100,072	126,473
12	Increase in loans to customers	(73,896,868)	(51,793,706)
13	Utilisation of allowance for losses	(1,287,015)	(1,032,666)
14	Increase in other operating assets	(50,243)	(1,946,491)
Changes in operating liabilities			
15	(Decrease)/increase in due to the Government and the State Bank of Vietnam	(505,788)	505,876
16	Increase in deposits and borrowings from other credit institutions	21,665,822	13,446,901
17	Increase in deposits from customers	68,749,941	34,032,121
18	Increase in valuable papers issued	8,099,170	13,749,900
19	Decrease in funds and entrusted investments received from the Government, international and other credit institutions	(18,654)	(25,878)
20	Increase in derivatives and other financial liabilities	117,126	-
21	(Decrease)/increase in other operating liabilities	(1,689,943)	1,600,161
22	Utilisation of reserves	(1,500)	(201,463)
I	NET CASH FLOWS FROM OPERATING ACTIVITIES	37,136,201	21,274,539

The notes on pages 11 to 96 are an integral part of these consolidated financial statements.

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

		For the year ended 31 December	
	Note	2023 VND million	2022 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
01	Payments for purchases of fixed assets	(1,276,249)	(511,513)
02	Proceeds from disposals of fixed assets	4,038	4,741
05	Proceeds from disposals of investment properties	-	85,364
07	Payments for other long-term investments	-	(10,520)
08	Collection on other long-term investments	-	6,451
09	Receipts of dividends and distributions of profits from long-term investments	74,955	59,599
II NET CASH FLOWS FROM INVESTING ACTIVITIES		(1,197,256)	(365,878)
CASH FLOWS FROM FINANCING ACTIVITIES			
04	Payments of dividends	(3,377,435)	-
III NET CASH FLOWS FROM FINANCING ACTIVITIES		(3,377,435)	-
IV NET CASH FLOWS FOR THE YEAR		32,561,510	20,908,661
V CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		103,510,228	82,601,567
VII CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		136,071,738	103,510,228

Duong Thi Nguyet
Chief Accountant

Tu Tien Phat
General Director
Legal Representative

Dam Van Tuan (*)
Member of the Board of Directors
26 February 2024

(*) Authorised signature on financial statements according to Letter of Authorisation No. 233/UQ - HDQT.24 dated 23 February 2024 by the Chairman.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

These notes are an integral part of and should be read in conjunction with the accompanying consolidated 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 31 December 2023, the Bank's charter capital was VND38,840,503,580,000 (31.12.2022: VND33,774,350,940,000). The Bank has issued 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 31 December 2023, the Bank had 1 head office, 384 branches and sub-branches nation-wide (31.12.2022: 1 head office, 384 branches and sub-branches).

(d) Group structure

The consolidated financial statements for the year ended 31 December 2023 included the financial statements of the Bank and its subsidiaries.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 THE REPORTING ENTITY (continued)

(d) Group structure (continued)

As at 31 December 2023 and 31 December 2022, the Bank had the following subsidiaries:

Subsidiary	Operation Licence	Nature of business	Percentage of ownership and voting rights	
			31.12.2023	31.12.2022
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 31 December 2023, the Group had 13,655 employees (31.12.2022: 13,035 employees).

2 BASIS OF PREPARATION

(a) Statement of compliance

The consolidated 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 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 financial statements are not intended to present the consolidated financial position and consolidated results of operations and 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 financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the direct method.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2 BASIS OF PREPARATION (continued)****(c) Annual accounting period**

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

(d) Accounting and presentation currency

The Group's accounting currency is Vietnam Dong ("VND"). The consolidated 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 financial statements.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(b) Foreign currency transactions**

All transactions 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 year 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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, 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 items

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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
BBB, BB, B credit rating
CCC, CC credit rating
C credit rating
D credit rating

Group 1 - Current loans
Group 2 - Special-mentioned loans
Group 3 - Sub-standard loans
Group 4 - Doubtful loans
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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 in 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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:	
• With a remaining term of less than 1 year	95%
• With a remaining term of between 1 year to 5 years	85%
• With a remaining term of over 5 years	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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**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. 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 30 June 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	▪ Commitments which, according to the Group's assessment, could be fully settled when they fall due.
2	Special-mentioned commitments	▪ 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	▪ Commitments which, according to the Group's assessment, could not be fully settled when they fall due.
4	Doubtful commitments	▪ Commitments which, according to the Group's assessment, are not highly probably settled by customers.
5	Loss commitments	▪ 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(i) 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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. An 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 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 terms of the contracts.

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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 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 the contractual term.

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 monthly 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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 liabilitiesFinancial 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 and indefinite land use rights. 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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 Bank on accounting for severance allowance. According to this Official letter, the Ministry of Finance does not allow the Bank 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 year, 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 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 profit 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2022.

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. Reserve to supplement charter capital and 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 2022.

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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-BKHCN 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 truster 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****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 financial statements as they are not assets of the Group. Entrusted funds received from trustees 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 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 year, by the weighted average number of ordinary shares outstanding during the year. 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 financial statements indicate nil balances.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4 CASH ON HAND, GOLD AND GEMSTONES

	31.12.2023 VND million	31.12.2022 VND million
Cash in VND	5,633,976	7,248,994
Cash in foreign currencies	1,008,690	1,054,900
Gold	266,634	156,998
	<u>6,909,300</u>	<u>8,460,892</u>

5 BALANCES WITH THE STATE BANK OF VIETNAM

	31.12.2023 VND million	31.12.2022 VND million
Demand deposits with the SBV		
- In VND	9,301,180	12,657,646
- In foreign currencies	9,203,634	999,885
	<u>18,504,814</u>	<u>13,657,531</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:

	31.12.2023 %	31.12.2022 %
<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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6 DEPOSITS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS

6.1 Deposits with and loans to other credit institutions

	31.12.2023 VND million	31.12.2022 VND million
Deposits with other credit institutions		
Demand deposits		
- In VND	107,126	32,008
- In foreign currencies	19,693,858	13,581,530
	<u>19,800,984</u>	<u>13,613,538</u>
Term deposits (i)		
- In VND	75,912,418	61,113,729
- In foreign currencies	18,930,600	7,611,495
	<u>94,843,018</u>	<u>68,725,224</u>
	<u>114,644,002</u>	<u>82,338,762</u>
Loans to other credit institutions		
In VND	279,929	3,682,551
In which:		
- <i>Discount, rediscount</i>	229,929	3,632,551
Allowance for losses on loans to other credit institutions	(50,000)	(50,000)
	<u>229,929</u>	<u>3,632,551</u>
Total deposits with and loans to other credit institutions	<u>114,873,931</u>	<u>85,971,313</u>

(i) Included in term deposits with other credit institutions as at 31 December 2023 were:

- VND8,500,000 million (31.12.2022: VND7,000,000 million) which was pledged as collaterals for deposits from other credit institutions with the amount of VND8,500,000 million (31.12.2022: VND7,000,000 million) (Note 38.2).
- VND3,322,500 million of term deposits with other credit institutions of ACBS (31.12.2022: VND491,800 million) which was pledged as collaterals for borrowings from other credit institutions with the amount of VND4,400,000 million (31.12.2022: nil) (Note 38.2).
- VND187,218 million of term deposits with other credit institutions of ACBS (31.12.2022: VND67,640 million) which was pledged as collaterals for settlement of covered warrants (Note 38.2).

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

	31.12.2023 VND million	31.12.2022 VND million
Group 1 – Current loans	95,072,947	72,357,775
Group 5 – Loss loans	50,000	50,000
	<u>95,122,947</u>	<u>72,407,775</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

6.3 Allowance for losses on deposits with and loans to other credit institutions

	2023 VND million	2022 VND million
Opening balance	50,000	-
Allowance made during the year (Note 32)	-	50,000
Closing balance	<u>50,000</u>	<u>50,000</u>

7 HELD-FOR-TRADING SECURITIES

7.1 Held-for-trading securities

	31.12.2023 VND million	31.12.2022 VND million
Debt securities		
Government securities	1,879,766	144,059
Debt securities issued by domestic credit institutions	4,000,000	500,000
Equity securities		
Equity securities issued by domestic credit institutions	791,985	137,585
Equity securities issued by domestic economic entities	651,738	539,297
Total held-for-trading securities	<u>7,323,489</u>	<u>1,320,941</u>
Allowance for losses on held-for-trading securities		
Allowance for diminution in value of held-for-trading securities	(146,420)	(189,614)
	<u>7,177,069</u>	<u>1,131,327</u>

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

	31.12.2023 VND million	31.12.2022 VND million
Group 1 - Current loans	<u>4,000,000</u>	<u>500,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7 HELD-FOR-TRADING SECURITIES (continued)

7.3 Listing status

	31.12.2023 VND million	31.12.2022 VND million
Debt securities		
Listed	1,879,766	144,059
Unlisted	4,000,000	500,000
Equity securities		
Listed	1,427,251	658,117
Unlisted	16,472	18,765
	<u>7,323,489</u>	<u>1,320,941</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 2022	65,640
Allowance made during the year (Note 27)	<u>123,974</u>
As at 31 December 2022	189,614
Allowance reversed during the year (Note 27)	<u>(43,194)</u>
As at 31 December 2023	<u>146,420</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

8 DERIVATIVES AND OTHER FINANCIAL ASSETS/LIABILITIES

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)		
		Assets	Liabilities	Total
	VND million	VND million	VND million	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>

As at 31 December 2022				
	Total contract value (at foreign exchange rate at the contract date)	Total carrying value (at foreign exchange rate as at 31 December 2022)		
		Assets	Liabilities	Total
	VND million	VND million	VND million	VND million
Currency derivatives				
Currency forward contracts	10,408,105	197,109	-	197,109
Currency swap contracts	30,191,706	-	(99,197)	(99,197)
Other derivatives				
Cross currency swap contracts	1,227,540	2,160	-	2,160
	<u>41,827,351</u>	<u>199,269</u>	<u>(99,197)</u>	<u>100,072</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9 LOANS TO CUSTOMERS

9.1 By type of loans

	31.12.2023 VND million	31.12.2022 VND million
Loans to domestic economic entities and individuals	480,623,657	410,003,122
Discounted negotiable instruments and valuable papers	180,101	149,258
Finance leases	1,750,717	1,504,988
Payments on behalf of customers	472,381	397
Loans funded by the Government, international and other credit institutions	-	542
Margin loans and cash advances	4,574,996	2,047,937
	<u>487,601,852</u>	<u>413,706,244</u>

9.2 By type of customers

	31.12.2023 VND million	31.12.2022 VND million
State-owned companies	3,386,333	1,271,285
Joint stock companies, limited liability companies and other enterprises	160,984,960	139,299,114
Foreign joint-venture companies	518,728	588,017
100% foreign-owned companies	1,762	2,011
Co-operatives	296,799	221,707
Individuals	321,858,529	271,770,510
Others	554,741	553,600
	<u>487,601,852</u>	<u>413,706,244</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9 LOANS TO CUSTOMERS (continued)

9.3 By loan group

	31.12.2023 VND million	31.12.2022 VND million
Group 1 - Current loans	473,964,363	406,268,269
Group 2 - Special-mentioned loans	3,175,268	2,345,123
Group 3 - Sub-standard loans	940,414	442,270
Group 4 - Doubtful loans	1,048,813	437,272
Group 5 - Loss loans	3,897,998	2,165,373
Margin loans and cash advances	4,574,996	2,047,937
	<u>487,601,852</u>	<u>413,706,244</u>

9.4 By term

	31.12.2023 VND million	31.12.2022 VND million
Short-term loans	327,904,718	263,259,964
Medium-term loans	15,386,415	16,779,656
Long-term loans	144,310,719	133,666,624
	<u>487,601,852</u>	<u>413,706,244</u>

9.5 By currency

	31.12.2023 VND million	31.12.2022 VND million
Denominated in VND	476,853,451	404,615,361
Denominated in foreign currencies and gold	10,748,401	9,090,883
	<u>487,601,852</u>	<u>413,706,244</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9 LOANS TO CUSTOMERS (continued)

9.6 By business sector of customers

	31.12.2023 VND million	31.12.2022 VND million
Trading	85,530,409	73,260,878
Manufacturing and processing	28,222,186	25,951,594
Construction	18,240,176	16,529,164
Individual and community services	13,855,783	10,367,944
Real estate advisory and trading	5,813,214	4,864,676
Warehousing, transportation and communication	4,261,365	3,735,759
Hotels and restaurants	1,676,823	1,774,809
Agriculture and forestry	1,420,850	1,260,358
Training and education	677,254	826,528
Financial services	1,811,477	89,111
Other business sectors	326,092,315	275,045,423
	<u>487,601,852</u>	<u>413,706,244</u>

9.7 Allowance for losses on loans to customers

	Specific allowance (i) VND million	General allowance VND million	Allowance for losses on loans for margin trading activities VND million	Total VND million
As at 1 January 2022	3,076,508	2,668,879	116,201	5,861,588
Allowance (reversed)/made during the year (Note 32)	(381,329)	402,142	1	20,814
Allowance utilised during the year	(1,032,666)	-	-	(1,032,666)
As at 31 December 2022	1,662,513	3,071,021	116,202	4,849,736
Allowance made during the year (Note 32)	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>	<u>5,366,952</u>

- (i) Included in specific allowance of the Group as at 31 December 2023 was VND29,864 million of additional allowance for losses on loans to customers whose debts were restructured, exempted and/or reduced interest and remained loan group in accordance with Circular 03 and Circular 02 (31.12.2022: VND10,901 million), in which VND27,486 million of additional allowance for losses on loans to customers whose debts were classified as Group 1 – Current loans (31.12.2022: VND10,862 million). As at 31 December 2023, the Group made 100% additional specific allowance for losses on loans to customers whose debts were restructured, exempted and/or reduced interest and remained loan group in accordance with Circular 03 (Note 3(g)(vi)) and made 50% 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10 INVESTMENT SECURITIES

10.1 Investment securities

	31.12.2023 VND million	31.12.2022 VND million
Available-for-sale securities		
Debt securities		
Government securities (i) (ii)	20,515,956	11,441,467
Debt securities issued by domestic credit institutions	24,375,151	20,400,787
Equity securities		
Equity securities issued by domestic economic entities	12,661	12,661
Total available-for-sale securities	44,903,768	31,854,915
Held-to-maturity securities (excluding special bonds issued by VAMC)		
Debt securities		
Government securities (i) (ii)	24,853,008	41,721,792
Debt securities issued by domestic credit institutions	3,706,571	1,958,087
Total held-to-maturity securities (excluding special bonds issued by VAMC)	28,559,579	43,679,879
Total investment securities	73,463,347	75,534,794

(i) In 2023, the Group reclassified VND14,949,489 million of Government securities (in 2022: VND2,074,343 million) from held-to-maturity securities to available-for-sale securities.

(ii) Included in investment securities as at 31 December 2023 were:

- VND4,001,997 million of Government securities (31.12.2022: VND4,674,876 million) which were pledged as collaterals for deposits and borrowings from other credit institutions with the amount of VND3,444,756 million (31.12.2022: VND4,111,323 million) (Note 38.2).
- VND2,573,042 million of Government securities (31.12.2022: VND2,449,894 million) which were pledged as collaterals for valuable papers issued with the amount of VND2,183,608 million (31.12.2022: VND2,180,312 million) (Note 38.2).
- VND1,002,628 million of Government securities (31.12.2022: VND1,012,445 million) which were pledged as collaterals for interbank electronic clearing transactions (Note 38.2).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10 INVESTMENT SECURITIES (continued)

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

	31.12.2023 VND million	31.12.2022 VND million
Group 1 - Current loans	<u>28,081,722</u>	<u>22,358,874</u>

10.3 Listing status

	31.12.2023 VND million	31.12.2022 VND million
Available-for-sale securities		
<i>Debt securities</i>		
Listed	20,515,956	11,441,467
Unlisted	<u>24,375,151</u>	<u>20,400,787</u>
	<u>44,891,107</u>	<u>31,842,254</u>
<i>Equity securities</i>		
Listed	12,661	12,661
	<u>44,903,768</u>	<u>31,854,915</u>
Held-to-maturity securities (excluding special bonds issued by VAMC)		
<i>Debt securities</i>		
Listed	24,853,008	41,721,792
Unlisted	<u>3,706,571</u>	<u>1,958,087</u>
	<u>28,559,579</u>	<u>43,679,879</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11 LONG-TERM INVESTMENTS

11.1 By type of investments

	Note	31.12.2023 VND million	31.12.2022 VND million
Other long-term investments	11.2	303,387	303,387
Allowance for diminution in value of long-term investments	11.3	(163,362)	(156,573)
		<u>140,025</u>	<u>146,814</u>

11.2 Other long-term investments

	31.12.2023 VND million	31.12.2022 VND million
Investments in domestic economic entities - Listed	181,339	181,339
Investments in domestic economic entities - Unlisted	122,048	122,048
	<u>303,387</u>	<u>303,387</u>

11.3 Allowance for diminution in value of long-term investments

	VND million
As at 1 January 2022	127,392
Allowance made during the year (Note 31(i))	29,181
	<u>156,573</u>
As at 31 December 2022	156,573
Allowance made during the year (Note 31(i))	6,789
	<u>163,362</u>
As at 31 December 2023	<u>163,362</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2023	2,631,443	2,195,241	534,913	162,190	5,523,787
Additions	1,852	686,499	77,706	28,356	794,413
Transfer from construction in progress (Note 14.1(ii))	199,415	5,161	-	-	204,576
Disposals	(74)	(102,390)	(22,547)	(6,914)	(131,925)
Reclassification (Note 12.2)	(141,321)	6,875	-	-	(134,446)
Other movements	(752)	-	1,258	-	506
As at 31 December 2023	<u>2,690,563</u>	<u>2,791,386</u>	<u>591,330</u>	<u>183,632</u>	<u>6,256,911</u>
Accumulated depreciation					
As at 1 January 2023	698,768	1,532,549	294,755	147,983	2,674,055
Charge for the year	68,875	274,530	43,114	9,363	395,882
Disposals	(74)	(102,213)	(22,427)	(6,826)	(131,540)
Reclassification	-	946	-	-	946
As at 31 December 2023	<u>767,569</u>	<u>1,705,812</u>	<u>315,442</u>	<u>150,520</u>	<u>2,939,343</u>
Net book value					
As at 1 January 2023	<u>1,932,675</u>	<u>662,692</u>	<u>240,158</u>	<u>14,207</u>	<u>2,849,732</u>
As at 31 December 2023	<u>1,922,994</u>	<u>1,085,574</u>	<u>275,888</u>	<u>33,112</u>	<u>3,317,568</u>

Other information about tangible fixed assets was as follows:

	31.12.2023 VND million	31.12.2022 VND million
Carrying amount of tangible fixed assets which were pledged as collaterals for borrowings (Note 38.2)	23,702	26,200
Cost of tangible fixed assets which were fully depreciated but still in use	<u>1,492,599</u>	<u>1,388,558</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2023	874,309	835,179	1,709,488
Additions	153	15,802	15,955
Transfer from construction in progress (Note 14.1(ii))	137,801	105,370	243,171
Reclassification (Note 12.1)	141,321	(6,875)	134,446
Other movements	(1,383)	-	(1,383)
	<u>1,152,201</u>	<u>949,476</u>	<u>2,101,677</u>
As at 31 December 2023			
Accumulated amortisation			
As at 1 January 2023	148	577,696	577,844
Charge for the year	1,185	78,601	79,786
Reclassification	-	(946)	(946)
	<u>1,333</u>	<u>655,351</u>	<u>656,684</u>
As at 31 December 2023			
Net book value			
As at 1 January 2023	874,161	257,483	1,131,644
	<u>1,150,868</u>	<u>294,125</u>	<u>1,444,993</u>
As at 31 December 2023			

Other information about intangible fixed assets was as follows:

	31.12.2023 VND million	31.12.2022 VND million
Cost of intangible fixed assets which were fully amortised but still in use	<u>446,629</u>	<u>380,713</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13 INVESTMENT PROPERTY

	31.12.2023 VND million	31.12.2022 VND million
Investment properties held for capital appreciation	<u>177,005</u>	<u>177,005</u>

14 OTHER ASSETS

14.1 Receivables

	31.12.2023 VND million	31.12.2022 VND million
External receivables (i)	3,918,074	3,965,428
Construction in progress (ii)	1,174,974	584,626
Advances and internal receivables	210,705	196,745
Receivables from the State Budget	12,272	9,922
Dividend receivables	926	271
	<u>5,316,951</u>	<u>4,756,992</u>

(i) Included in external receivables as at 31 December 2023 were:

- Advances to suppliers with the amount of VND1,136,442 million (31.12.2022: VND892,950 million).
- Receivables from Usance Payable At Sight Letter of Credit ("UPAS L/C") with the amount of VND919,265 million (31.12.2022: VND1,247,306 million).

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

	2023 VND million	2022 VND million
Opening balance	584,626	479,547
Additions	1,038,095	195,466
Transfer to tangible fixed assets (Note 12.1)	(204,576)	(21,243)
Transfer to intangible fixed assets (Note 12.2)	(243,171)	(101,872)
Transfer to other assets	-	(3,452)
Reclassification	-	36,180
Closing balance	<u>1,174,974</u>	<u>584,626</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14 OTHER ASSETS (continued)

14.1 Receivables (continued)

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

Major constructions in progress were:

	31.12.2023 VND million	31.12.2022 VND million
Office buildings	640,868	339,128

14.2 Deferred tax assets

	31.12.2023 VND million	31.12.2022 VND million
Deferred tax assets related to deductible temporary differences	33,722	63,966

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

	2023 VND million	2022 VND million
Opening balance	63,966	44,370
Increase in deferred tax assets during the year (Note 33.2)	33,722	63,966
Reversal of deferred tax assets recognised in previous years (Note 33.2)	(63,966)	(44,370)
Closing balance	33,722	63,966

In 2023, deferred tax assets were calculated at the tax rate of 20% (2022: 20%).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14 OTHER ASSETS (continued)

14.3 Other assets

	31.12.2023 VND million	31.12.2022 VND million
Prepaid expenses	959,842	994,465
Foreclosed assets of which ownership was transferred to the Bank and awaiting for settlement (i)	11,500	11,500
Other assets	145,738	137,247
	<u>1,117,080</u>	<u>1,143,212</u>

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

	31.12.2023 VND million	31.12.2022 VND million
Real estates	<u>11,500</u>	<u>11,500</u>

14.4 Allowance for losses on other assets

VND million

As at 1 January 2022	179,961
Allowance made during the year (Note 31(ii))	16,206
As at 31 December 2022	196,167
Allowance made during the year (Note 31(ii))	2,618
As at 31 December 2023	<u>198,785</u>

15 DUE TO THE GOVERNMENT AND THE STATE BANK OF VIETNAM

	31.12.2023 VND million	31.12.2022 VND million
Borrowings from the State Bank of Vietnam		
Borrowings pledged by valuable papers	-	504,210
Deposits from the State Treasury		
Demand deposits in VND	<u>88</u>	<u>1,666</u>
Total due to the Government and the State Bank of Vietnam	<u>88</u>	<u>505,876</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16 DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

	31.12.2023 VND million	31.12.2022 VND million
Deposits from other credit institutions		
Demand deposits		
- In VND	66,431	37,438
- In foreign currencies	5,304	4,406
	<u>71,735</u>	<u>41,844</u>
Term deposits (i)		
- In VND	77,322,064	47,443,402
- In foreign currencies	3,325,674	12,517,486
	<u>80,647,738</u>	<u>59,960,888</u>
	<u>80,719,473</u>	<u>60,002,732</u>
Borrowings from other credit institutions		
In VND	7,868,187	3,763,263
In which:		
- Discount, rediscount (i)	2,644,756	3,211,323
- Mortgage, pledge (i)	4,480,000	500,000
In foreign currencies	919,002	4,074,845
	<u>8,787,189</u>	<u>7,838,108</u>
Total deposits and borrowings from other credit institutions	<u>89,506,662</u>	<u>67,840,840</u>

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

	31.12.2023 VND million	31.12.2022 VND million
Term deposits with other credit institutions (Note 6.1(ii))	11,822,500	7,559,440
Investment securities (Note 10.1(ii))	4,001,997	4,674,876
Fixed assets (Note 12.1)	23,702	26,200
	<u></u>	<u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17 DEPOSITS FROM CUSTOMERS

17.1 By type of deposits

	31.12.2023 VND million	31.12.2022 VND million
Demand deposits		
- In VND	96,559,181	82,536,880
- In foreign currencies	7,411,358	7,607,695
Term deposits		
- In VND	102,060,988	74,185,833
- In foreign currencies	327,629	387,367
Savings		
- In VND	269,762,831	242,560,083
- In foreign currencies	4,320,576	4,506,125
Margin deposits		
- In VND	1,698,777	1,573,944
- In foreign currencies	113,479	121,733
Specialised capital deposits		
- In VND	199,592	133,244
- In foreign currencies	248,320	339,885
	<u>482,702,731</u>	<u>413,952,789</u>

17.2 By type of customers

	31.12.2023 VND million	31.12.2022 VND million
State-owned companies	1,187,115	848,570
Joint-stock companies, limited liability companies and other enterprises	92,450,485	73,648,213
Joint-venture companies	574,190	607,261
100% foreign-owned companies	3,393,768	4,687,278
Cooperatives	122,865	93,417
Individuals	383,854,081	333,079,142
Others	1,120,227	988,908
	<u>482,702,731</u>	<u>413,952,789</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

	31.12.2023 VND million	31.12.2022 VND million
Funds received from Japan Bank for International Cooperation in VND (i)	26,854	42,945
Funds received from Japan Bank for International Cooperation in foreign currencies (ii)	14,680	17,243
	<u>41,534</u>	<u>60,188</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 4.90% to 6.96% per annum during the year 2023 (during the year 2022: from 3.78% to 4.33% per annum).
- (ii) Outstanding balances of funds received from JBIC in foreign currencies born annual interest rates of 1.91% per annum during the year 2023 (during the year 2022: 1.91% per annum).

19 VALUABLE PAPERS ISSUED

	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>
	As at 31 December 2022	
	Book value VND million	Par value VND million
Bonds		
From one-year to two-year bonds	11,449,898	11,450,000
Three-year bonds	20,699,954	20,700,000
Five-year bonds	1,494,207	1,500,000
Ten-year bonds	2,410,308	2,430,000
Certificates of deposit		
Certificates of deposit under one year	8,250,000	8,250,000
	<u>44,304,367</u>	<u>44,330,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20 OTHER LIABILITIES

	31.12.2023	31.12.2022
	VND million	VND million
Internal payables	1,491,719	1,700,580
External payables	4,849,521	6,017,436
- <i>Remittances in transit</i>	289,990	404,584
- <i>Tax payables to the State Budget (Note 37)</i>	2,522,843	2,414,287
- <i>Cash held on behalf and awaiting for settlement</i>	291,442	173,950
- <i>Amount awaiting settlement</i>	746,546	2,175,151
- <i>Other payables</i>	998,700	849,464
Unearned revenue (i)	6,812,909	7,367,891
Bonus and welfare fund (ii)	448,547	300,047
Science and technology development fund (iii)	1,775,592	1,822,237
	<u>15,378,288</u>	<u>17,208,191</u>

(i) Included in unearned revenue as at 31 December 2023 was VND6,800,000 million (31.12.2022: VND7,366,667 million) of the unearned support fee from the Bank's bancassurance activities.

(ii) Bonus and welfare fund

	2023	2022
	VND million	VND million
Opening balance	300,047	351,510
Addition during the year (Note 21.1)	150,000	150,000
Utilisation during the year	(1,500)	(201,463)
Closing balance	<u>448,547</u>	<u>300,047</u>

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

	2023	2022
	VND million	VND million
Opening balance	1,822,237	1,053,537
Addition during the year	-	1,000,000
Utilisation during the year	(566,793)	(379,092)
Fixed assets funded by the Science and technology development fund during the year	595,562	153,147
Depreciation of fixed assets funded by the Science and technology development fund during the year	(83,616)	(16,952)
Other movements during the year	8,202	11,597
Closing balance	<u>1,775,592</u>	<u>1,822,237</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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	Retained profits VND million	Total VND million
As at 1 January 2022	27,019,481	271,779	2,001,070	4,744,306	418,921	10,445,352	44,900,909
Net profits for the year	-	-	-	-	-	13,688,193	13,688,193
Appropriation to reserves	-	-	681,926	1,363,851	10,051	(2,055,828)	-
Appropriation to bonus and welfare fund (Note 20(ii))	-	-	-	-	-	(150,000)	(150,000)
Share dividends	6,754,870	-	-	-	-	(6,754,870)	-
Other movements	-	-	-	-	-	(439)	(439)
As at 31 December 2022	33,774,351	271,779	2,682,996	6,108,157	428,972	15,172,408	58,438,663
Net profits for the year	-	-	-	-	-	16,044,733	16,044,733
Appropriation to reserves	-	-	776,087	1,552,175	9,067	(2,337,329)	-
Appropriation to bonus and welfare fund (Note 20(ii))	-	-	-	-	-	(150,000)	(150,000)
Share dividends (Note 21.3)	5,066,153	-	-	-	-	(5,066,153)	-
Cash dividends (Note 21.3)	-	-	-	-	-	(3,377,435)	(3,377,435)
Other movements	-	-	-	-	(19)	19	-
As at 31 December 2023	38,840,504	271,779	3,459,083	7,660,332	438,020	20,286,243	70,955,961

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21 OWNERS' EQUITY (continued)

21.1 Statement of changes in owners' equity (continued)

(i) As at 31 December 2023, other reserves comprised of:

- Reserve to supplement charter capital of subsidiaries: VND187,873 million (31.12.2022: VND184,880 million);
- Financial reserve of subsidiaries: VND81,047 million (31.12.2022: VND74,992 million);
- Financial and operational risk reserve of subsidiaries: VND168,979 million (31.12.2022: VND168,979 million);
- Capital expenditure fund of the Bank: VND121 million (31.12.2022: VND121 million).

21.2 Shares

(a) Number of shares

	31.12.2023		31.12.2022	
	Number of shares	Carrying value VND million	Number of shares	Carrying value VND million
Authorised share capital	3,884,050,358	38,840,504	3,377,435,094	33,774,351
Ordinary shares in circulation	3,884,050,358	38,840,504	3,377,435,094	33,774,351

(b) Movements of the charter capital

	Number of shares	Charter capital VND million
As at 1 January 2022	2,701,948,075	27,019,481
Shares issued	675,487,019	6,754,870
As at 31 December 2022	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

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at the 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 13 April 2023 resolved to distribute share and cash dividends at the distribution rate of 15% and 10%, respectively, from VND8,443,588 million of retained profits of 2022 and previous years. The Bank completed the issuance of shares for dividends.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22 INTEREST AND SIMILAR INCOME

	2023 VND million	2022 VND million
Interest income from deposits	3,063,281	1,579,441
Interest income from loans	44,703,909	35,502,283
Interest income from debt securities:	3,465,691	2,702,095
- <i>Interest income from held-for-trading securities</i>	26,300	97,900
- <i>Interest income from investment securities</i>	3,439,391	2,604,195
Income from guarantee services	288,275	269,718
Interest income from finance leasing	175,515	128,333
Other income from credit activities	650,125	516,964
	<u>52,346,796</u>	<u>40,698,834</u>

23 INTEREST AND SIMILAR EXPENSES

	2023 VND million	2022 VND million
Interest expenses on deposits	24,278,850	15,212,277
Interest expenses on borrowings	361,041	337,539
Interest expenses on valuable papers issued	2,015,387	1,567,280
Other expenses on credit activities	731,948	48,209
	<u>27,387,226</u>	<u>17,165,305</u>

24 FEE AND COMMISSION INCOME

	2023 VND million	2022 VND million
Settlement services	2,630,067	2,206,039
Treasury services	11,744	18,844
Securities services	328,234	366,008
Other services	1,975,706	2,466,668
	<u>4,945,751</u>	<u>5,057,559</u>

25 FEE AND COMMISSION EXPENSES

	2023 VND million	2022 VND million
Settlement and treasury services	1,217,613	841,775
Securities services	92,937	98,179
Other services	712,864	591,361
	<u>2,023,414</u>	<u>1,531,315</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

26 NET GAIN FROM TRADING OF FOREIGN CURENCIES

	2023 VND million	2022 VND million
Gains from trading of foreign currencies		
Currency spots	1,921,693	1,198,737
Gold trading	14,919	27,409
Currency derivatives	604,179	609,001
Losses on trading of foreign currencies		
Currency spots	(507,399)	(435,239)
Gold trading	(5,608)	(2,956)
Currency derivatives	(917,679)	(348,583)
	<u>1,110,105</u>	<u>1,048,369</u>

27 NET GAIN/(LOSS) FROM TRADING OF HELD-FOR-TRADING SECURITIES

	2023 VND million	2022 VND million
Gains from trading of held-for-trading securities	211,997	183,395
Losses on trading of held-for-trading securities	(86,808)	(447,294)
Reversal of/(addition to) allowance for losses on held-for-trading securities (note 7.4)	43,194	(123,974)
	<u>168,383</u>	<u>(387,873)</u>

28 NET GAIN FROM TRADING OF INVESTMENT SECURITIES

	2023 VND million	2022 VND million
Gains from trading of investment securities	2,663,097	27,239
Losses on trading of investment securities	(15,957)	(14,597)
Reversal of allowance for losses on investment securities	-	8,006
	<u>2,647,140</u>	<u>20,648</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

29 NET OTHER INCOME

	2023 VND million	2022 VND million
Other income		
Income from bad debt collection previously written off	880,179	786,804
Income from other trading activities	218,067	266,539
Other income	98,971	57,151
	<u>1,197,217</u>	<u>1,110,494</u>
Other expenses		
Expenses on other trading activities	(153,287)	(101,130)
Other expenses	(180,558)	(19,670)
	<u>(333,846)</u>	<u>(120,800)</u>
	<u>863,371</u>	<u>989,694</u>

30 INCOME FROM INVESTMENTS IN OTHER ENTITIES

	2023 VND million	2022 VND million
Dividend income received during the year		
- From held-for-trading equity securities	12,394	14,074
- From available-for-sale equity securities	-	1,350
- From long-term investments	63,216	44,032
	<u>75,610</u>	<u>59,456</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

31 OPERATING EXPENSES

	2023 VND million	2022 VND million
Tax, duties and fees	18,587	14,250
Salaries and related expenses	6,215,207	6,069,294
- <i>Salaries and allowances</i>	2,259,881	2,047,270
- <i>Salary related contributions</i>	456,896	386,526
- <i>Subsidies</i>	6,960	10,077
- <i>Others</i>	3,491,470	3,625,421
Expenses on assets	1,780,389	1,733,724
- <i>Depreciation and amortisation expenses</i>	392,052	367,440
- <i>Others</i>	1,388,337	1,366,284
Administrative expenses	2,346,192	3,286,908
Insurance for deposits from customers	504,504	455,482
Allowance expenses (i)	9,407	45,387
	<u>10,874,286</u>	<u>11,605,045</u>

(i) Details of allowance expenses were as follows:

	2023 VND million	2022 VND million
Addition to allowance for diminution in value of long-term investments (Note 11.3)	6,789	29,181
Addition to allowance for losses on other assets (Note 14.4)	2,618	16,206
	<u>9,407</u>	<u>45,387</u>

32 ALLOWANCE EXPENSES FOR CREDIT LOSSES

	2023 VND million	2022 VND million
Addition to specific allowance for losses on loans to other credit institutions (Note 6.3)	-	50,000
Addition to general allowance for losses on loans to customers (Note 9.7)	521,301	402,142
Addition to/(Reversal of) specific allowance for losses on loans to customers (Note 9.7)	1,281,656	(381,329)
Addition to allowance for losses on loans for margin trading activities (Note 9.7)	1,274	1
	<u>1,804,231</u>	<u>70,814</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

33 CORPORATE INCOME TAX

33.1 Current corporate income tax

The tax on the Group's profit before tax differs from theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2023 VND million	2022 VND million
Profit before tax	20,067,999	17,114,208
Adjustments for taxable profit:		
Less (-) Non-taxable profit:	75,610	61,989
- <i>Income from investments in other entities</i>	75,610	59,456
- <i>Other non-taxable profit</i>	-	2,533
Plus (+) Non-deductible expenses	159,507	4,552
Other adjustments to (decrease)/increase taxable profit	(221,328)	168,713
Taxable profit	19,930,568	17,225,484
Corporate income tax at applicable tax rate	3,986,114	3,445,097
Under provision in previous years	6,908	514
Current corporate income tax	3,993,022	3,445,611
Tax payable at the beginning of the year	2,303,901	438,405
Corporate income tax paid during the year	(4,003,037)	(1,580,115)
Corporate income tax payable	2,293,886	2,303,901

The corporate income tax for the year ended 31 December 2023 was calculated based on current regulations applicable for corporate income tax and has not been finalised by the tax authorities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

33 CORPORATE INCOME TAX (continued)

33.2 Deferred corporate income tax expense/(income)

	2023 VND million	2022 VND million
Deferred corporate income tax expense relating to reversal of deferred tax assets (Note 14.2)	63,966	44,370
Deferred corporate income tax income relating to deductible temporary differences (Note 14.2)	(33,722)	(63,966)
	<u>30,244</u>	<u>(19,596)</u>

34 EARNINGS PER SHARE

34.1 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 year, by the weighted average number of ordinary shares outstanding during the year.

	2023	2022
Net profit for the year (VND million)	16,044,733	13,688,193
Less: Appropriation to bonus and welfare fund (VND million) (Note 20(ii))	(150,000)	(150,000)
Profit used for calculation of earnings per share (VND million)	15,894,733	13,538,193
Weighted average number of ordinary shares outstanding during the year (shares) (i)	3,884,050,358	3,884,050,358
Earnings per share by weighted average of ordinary shares outstanding at the reporting date (VND/share) (ii)	<u>4,092</u>	<u>3,486</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

34 EARNINGS PER SHARE (continued)

34.1 Basic earnings per share (continued)

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

	2023	2022
Ordinary shares at the beginning of the year	3,377,435,094	2,701,948,075
Effect of share dividends issued in 2022	-	675,487,019
Effect of share dividends issued in 2023 (ii)	506,615,264	506,615,264
	<u>3,884,050,358</u>	<u>3,884,050,358</u>
Weighted average number of ordinary shares outstanding during the year (shares)	<u>3,884,050,358</u>	<u>3,884,050,358</u>

- (ii) Earnings per share for the fiscal year ended 31 December 2022 was restropectively adjusted for the increase in ordinary shares due to share dividends issued in 2023.

34.2 Diluted earnings per share

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

35 CASH AND CASH EQUIVALENTS

	31.12.2023 VND million	31.12.2022 VND million
Cash on hand, gold and gemstones	6,909,300	8,460,892
Balances with the SBV	18,504,814	13,657,531
Deposits with other credit institutions (including demand deposits and term deposits with original terms of three months or less)	110,421,734	81,391,805
Securities with a term of redemption or maturity not exceeding three months from the date of purchase	235,890	-
	<u>136,071,738</u>	<u>103,510,228</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

36 EMPLOYEE REMUNERATION

	2023 VND million	2022 VND million
Average number of employees (person)	13,372	12,481
Employee remuneration		
Total salary	2,145,824	1,923,731
Other remuneration	3,744,747	3,277,836
Total remuneration	5,890,571	5,201,567
 Average salary/person/year	 160	 154
Average remuneration/person/year	441	417

37 OBLIGATIONS TO THE STATE BUDGET

	1.1.2023 VND million	Movements during the year		31.12.2023 VND million
		Payable VND million	Paid VND million	
Value added tax	24,584	410,006	(343,229)	91,361
Corporate income tax	2,303,901	3,993,022	(4,003,037)	2,293,886
Other taxes	85,802	919,936	(868,142)	137,596
	2,414,287	5,322,964	(5,214,408)	2,522,843

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

	31.12.2023 VND million	31.12.2022 VND million
Assets, valuable papers of customers mortgaged, pledged and discounted at the Group		
Real estates	867,009,958	769,521,588
Inventories	572,679	312,293
Machinery and equipment	3,984,708	3,698,194
Valuable papers	48,265,817	28,542,216
<i>In which:</i>		
- Valuable papers issued by enterprises	48,265,817	28,542,216
Other assets	22,235,715	20,794,373
	<u>942,068,877</u>	<u>822,868,664</u>
 Assets, valuable papers of other credit institutions mortgaged, pledged, discounted and rediscounted at the Group		
Real estates	840,698	791,922
Valuable papers	250,000	5,521,500
Other assets	51,589,470	40,242,665
	<u>52,680,168</u>	<u>46,556,087</u>
 Total assets, valuable papers mortgaged, pledged, discounted and rediscounted at the Group	<u>994,749,045</u>	<u>869,424,751</u>

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

	31.12.2023 VND million	31.12.2022 VND million
Term deposits with other credit institutions (Note 6.1(i))	12,009,718	7,559,440
Investment securities (Note 10.1(ii))	7,577,667	8,780,189
Fixed assets (Note 12.1)	23,702	26,200
	<u>19,611,087</u>	<u>16,365,829</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

39 CONTINGENT LIABILITIES AND COMMITMENTS

39.1 Off-balance sheet items

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>

As at 31 December 2022			
	Denominated in VND VND million	Denominated in foreign currencies VND million	Total VND million
Borrowing guarantees	55,386	-	55,386
Commitments on foreign exchange transactions	28,629,612	33,415,130	62,044,742
Letters of credit at sight	1,938	963,507	965,445
Deferred letters of credit	532,668	1,279,825	1,812,493
Payment guarantees	2,597,066	72,515	2,669,581
Performance guarantees	1,596,063	38,800	1,634,863
Bidding guarantees	370,205	-	370,205
Other guarantees	4,859,382	45,698	4,905,080
Other commitments	6,490,910	-	6,490,910
	<u>45,133,230</u>	<u>35,815,475</u>	<u>80,948,705</u>

(*) These balances represented the gross amount of off-balance sheet items as at 31 December 2023 before deducting margin deposits of VND991,649 million (31.12.2022: VND891,304 million).

39.2 Operating lease commitments

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

	31.12.2023 VND million	31.12.2022 VND million
Within 1 year	416,334	410,438
Over 1 year to 5 years	1,861,722	2,005,732
Over 5 years	506,854	807,222
	<u>2,784,910</u>	<u>3,223,392</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

39 CONTINGENT LIABILITIES AND COMMITMENTS (continued)

39.3 Capital commitments

The capital commitments that have been approved but not yet provided for in the consolidated statement of financial position as at 31 December 2023 amounted to VND320,769 million (31.12.2022: VND349,324 million).

40 OVERDUE INTEREST AND FEE RECEIVABLE NOT COLLECTED YET

	31.12.2023 VND million	31.12.2022 VND million
Overdue interest of loans not collected yet	1,058,024	1,019,563
Overdue interest of securities not collected yet	136,873	138,702
Overdue interest of deposits not collected yet	12,629	12,629
	<u>1,207,526</u>	<u>1,170,894</u>

41 WRITTEN-OFF BAD DEBTS

	31.12.2023 VND million	31.12.2022 VND million
Principal of written-off bad debts	4,847,815	4,453,197
Interest of written-off bad debts	2,527,342	2,300,954
Other written-off bad debts	3,145	3,145
	<u>7,378,302</u>	<u>6,757,296</u>

42 ASSETS AND OTHER DOCUMENTS

	31.12.2023 VND million	31.12.2022 VND million
Precious metals, gemstones under custody services	725,955	690,373
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	29,295	28,770
	<u>1,004,858</u>	<u>968,751</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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

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>

As at 31 December 2022

	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	79,091,457	413,706,244	63,765,735	413,952,789	16,153,544	37,973,323	76,855,735	1,101,498,827
Overseas	6,929,856	-	4,075,105	-	2,750,419	3,854,028	-	17,609,408
	<u>86,021,313</u>	<u>413,706,244</u>	<u>67,840,840</u>	<u>413,952,789</u>	<u>18,903,963</u>	<u>41,827,351</u>	<u>76,855,735</u>	<u>1,119,108,235</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

44 SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

(a) Transactions incurred during the year

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

	2023 VND million	2022 VND million
Interest income from loans to other related parties (i)	20,086	10,485
Interest expenses on borrowings from other related parties(i)	1,734	1,895
Interest expenses on deposits from other related parties (i)	62,887	25,573
Dividend income from other related parties (i)	49,852	-
Remuneration – Members of the Board of Management	99,941	67,281
Remuneration – Members of the Board of Directors	34,617	25,737
Remuneration – Members of the Supervisory Board	9,990	8,477

(b) Balances at the year-end

	31.12.2023 VND million	31.12.2022 VND million
Loans to other related parties (i)	280,330	217,361
Borrowings from other related parties (i)	61,700	34,000
Deposits from other related parties (i)	725,417	812,726
Interest receivables from loans to other related parties (i)	1,399	667
Interest payables from borrowings from other related parties (i)	630	1,548
Interest payables from deposits from other related parties (i)	15,283	10,221

- (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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****45 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

45 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	
	31.12.2023	31.12.2022
	VND million	VND million
Credit risk exposures relating to balance sheet assets:		
Balances with the State Bank of Vietnam	18,504,814	13,657,531
Deposits with and loans to other credit institutions	114,923,931	86,021,313
Held-for-trading debt securities	5,879,766	644,059
Derivatives	-	100,072
Loans to customers	487,601,852	413,706,244
Investment securities:		
- Available-for-sale debt securities	44,891,107	31,842,254
- Held-to-maturity debt securities	28,559,579	43,679,879
Other financial assets	7,313,749	7,399,819
	<u>707,674,798</u>	<u>597,051,171</u>
Credit risk exposures relating to off-balance sheet items:		
Off-balance sheet commitments	<u>22,164,732</u>	<u>18,903,963</u>

The above table represents the worst case with the maximum level of loss of the Group as at 31 December 2023 and 31 December 2022, not taking into account any collateral held or other credit enhancements. Collaterals held as at 31 December 2023 and 31 December 2022 were described in Note 38.1.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

45 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Credit quality

Financial assets exposed to credit risk were summarised as follows:

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 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
Less: Allowance	-	(50,000)	-	(5,366,952)	-	(178,994)	(5,595,946)
Net amount	18,504,814	114,873,931	5,879,766	482,234,900	73,450,686	7,134,755	702,078,852
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)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

45 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

Credit quality (continued)

As at 31 December 2022

	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	Derivatives VND million	Loans to customers VND million	Investment securities VND million	Other financial assets VND million	Total VND million
Balances neither past due nor impaired	13,657,531	85,971,313	644,059	100,072	407,060,774	75,522,133	7,217,409	590,173,291
Balances past due but not impaired	-	-	-	-	801,518	-	243	801,761
Balances impaired	-	50,000	-	-	5,843,952	-	182,167	6,076,119
Less: Allowance	-	(50,000)	-	-	(4,849,736)	-	(178,456)	(5,078,192)
Net amount	13,657,531	85,971,313	644,059	100,072	408,856,508	75,522,133	7,221,363	591,972,979
Allowance								
Specific allowance	-	(50,000)	-	-	(1,662,513)	-	-	(1,712,513)
General allowance	-	-	-	-	(3,071,021)	-	-	(3,071,021)
Other allowance	-	-	-	-	(116,202)	-	(178,456)	(294,658)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****45 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.

(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 manages interest rate risk in the banking book according to indicators of the interest rate risk sensitivity, measures of decrease in net interest income and economic value of equity.

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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

45 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

As at 31 December 2023	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
Assets									Unit: VND million
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	-	-	3,174,595	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	-	-	-	-	343,400	13,750,000	36,246,410	2,413,604	52,410,014
Other liabilities	-	22,233,956	-	-	-	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 (gross)	-	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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

45 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

(i) Interest rate risk (continued)										Unit: VND million
As at 31 December 2022										
Assets										
	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	
Cash on hand, gold and gemstones	-	8,460,892	-	-	-	-	-	-	8,460,892	
Balances with the State Bank of Vietnam	-	13,657,531	-	-	-	-	-	-	13,657,531	
Deposits with and loans to other credit institutions (i)	-	50,000	54,423,030	30,601,329	10,103	830,051	106,800	-	86,021,313	
Held-for-trading securities (i)	-	1,320,941	-	-	-	-	-	-	1,320,941	
Derivatives and other financial assets	-	100,072	-	-	-	-	-	-	100,072	
Loans to customers (i)	3,594,244	-	9,336,106	389,891,958	8,766,136	1,502,760	261,215	353,825	413,706,244	
Investment securities (i)	-	12,661	-	-	-	12,358,866	10,100,513	53,062,754	75,534,794	
Long-term investments (i)	-	303,387	-	-	-	-	-	-	303,387	
Fixed assets	-	3,981,376	-	-	-	-	-	-	3,981,376	
Investment property	-	177,005	-	-	-	-	-	-	177,005	
Other assets (i)	176,189	9,870,575	6,956	-	-	-	-	-	10,053,720	
Total assets	3,770,433	37,934,440	63,766,092	420,493,287	8,776,239	14,691,677	10,468,528	53,416,579	613,317,275	
Liabilities										
Due to the Government and the State Bank of Vietnam	-	-	1,666	504,210	-	-	-	-	505,876	
Deposits and borrowings from other credit institutions	-	-	33,306,540	31,683,557	2,850,743	-	-	-	67,840,840	
Deposits from customers	-	-	98,056,573	95,402,728	121,229,753	42,736,261	56,527,474	-	413,952,789	
Funds and entrusted investments received from the Government, international and other credit institutions	-	-	-	42,945	-	-	-	17,243	60,188	
Valuable papers issued	-	-	-	-	-	12,049,965	29,844,094	2,410,308	44,304,367	
Other liabilities	-	21,974,498	-	-	48,500	703,464	46,000	-	22,772,462	
Total liabilities	-	21,974,498	131,364,779	127,633,440	124,128,996	55,489,690	86,417,568	2,427,551	549,436,522	
Interest sensitivity gap of balance sheet items	3,770,433	15,959,942	(67,598,687)	292,859,847	(115,352,757)	(40,798,013)	(75,949,040)	50,989,028	63,880,753	
Interest sensitivity gap of off-balance sheet items (gross)	-	-	-	-	-	2,160	-	-	2,160	
Total interest sensitivity gap	3,770,433	15,959,942	(67,598,687)	292,859,847	(115,352,757)	(40,795,853)	(75,949,040)	50,989,028	63,882,913	

(i) These items do not include the allowance.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

45 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

Interest rates of monetary items at the reporting date were as follows:

As at 31 December 2023

	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
Assets						
Deposits with and loans to other credit institutions						
▪ VND	0.00% - 3.60%	1.05% - 3.85%	3.60% - 5.90%	4.40% - 8.50%	5.50% - 7.50%	(*)
▪ Foreign currencies	0.00% - 5.20%	5.20% - 5.55%	(*)	(*)	(*)	(*)
Loans to customers						
▪ VND	0.00% - 32.00%	3.00% - 25.00%	3.00% - 15.00%	4.50% - 14.50%	3.99% - 28.52%	3.79% - 15.10%
▪ Foreign currencies	4.00% - 5.20%	2.50% - 7.25%	2.50% - 6.00%	4.00% - 5.50%	(*)	(*)
Investment securities						
▪ VND	(*)	(*)	5.00% - 5.80%	4.13% - 9.50%	3.80% - 7.93%	1.40% - 8.90%
Other assets						
▪ VND	0.10%	(*)	(*)	(*)	(*)	(*)
Liabilities						
Due to the Government and the State Bank of Vietnam						
▪ VND	0.50%	(*)	(*)	(*)	(*)	(*)
Deposits and borrowings from other credit institutions						
▪ VND	0.00% - 4.50%	0.60% - 5.50%	2.50% - 7.50%	(*)	(*)	(*)
▪ Foreign currencies	0.00% - 5.17%	5.00% - 6.37%	1.05% - 6.50%	6.37% - 6.40%	(*)	(*)
Deposits from customers						
▪ VND	0.00% - 0.50%	0.00% - 5.90%	0.00% - 7.55%	0.00% - 9.50%	0.00% - 10.50%	(*)
▪ Foreign currencies	0.00%	0.00%	0.00%	0.00%	0.00%	(*)
Funds and entrusted investments received from the Government, international and other credit institutions						
▪ VND	(*)	4.90% - 6.96%	(*)	(*)	(*)	(*)
▪ Foreign currencies	(*)	(*)	(*)	(*)	(*)	1.91%
Valuable papers issued						
▪ VND	(*)	(*)	(*)	4.30% - 9.50%	3.09% - 7.10%	7.35% - 8.50%
Other liabilities						
▪ VND	(*)	(*)	5.60% - 8.20%	5.00% - 8.20%	6.80% - 8.20%	(*)

(*) Balances of these items at the reporting date were nil.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

45 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

Interest rates of monetary items at the reporting date were as follows:

As at 31 December 2022

	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
Assets						
Deposits with and loans to other credit institutions						
▪ VND	0,00% - 9,00%	6,50% - 11,00%	8,20%	5,00% - 8,00%	5,00%	(*)
▪ Foreign currencies	0,00% - 4,55%	4,05% - 4,94%	(*)	(*)	(*)	(*)
Loans to customers						
▪ VND	0,00% - 29,00%	1,25% - 23,00%	6,00% - 15,00%	3,79% - 20,31%	3,70% - 29,19%	3,79% - 15,10%
▪ Foreign currencies	3,20% - 6,30%	2,50% - 7,25%	2,00% - 5,80%	3,00% - 5,10%	(*)	(*)
Investment securities						
▪ VND	(*)	(*)	(*)	3,50% - 10,50%	2,90% - 5,50%	1,40% - 9,10%
Other assets						
▪ VND	0,20%	(*)	(*)	(*)	(*)	(*)
Liabilities						
Due to the Government and the State Bank of Vietnam						
▪ VND	0,50%	6,40%	(*)	(*)	(*)	(*)
Deposits and borrowings from other credit institutions						
▪ VND	0,00% - 6,80%	7,10% - 8,70%	6,30% - 8,00%	(*)	(*)	(*)
▪ Foreign currencies	0,00% - 4,60%	4,00% - 4,80%	0,80% - 5,99%	(*)	(*)	(*)
Deposits from customers						
▪ VND	0,00% - 4,20%	0,00% - 6,00%	0,00% - 10,50%	0,00% - 10,80%	0,00% - 10,50%	(*)
▪ Foreign currencies	0,00%	0,00%	0,00%	0,00%	0,00%	(*)
Funds and entrusted investments received from the Government, international and other credit institutions						
▪ VND	(*)	3,78% - 4,33%	(*)	(*)	(*)	(*)
▪ Foreign currencies	(*)	(*)	(*)	(*)	(*)	1,91%
Valuable papers issued						
▪ VND	(*)	(*)	(*)	4,00% - 10,50%	3,10% - 7,10%	7,35% - 8,50%
Other liabilities						
▪ VND	(*)	(*)	7,10%	7,10% - 8,20%	7,50% - 8,00%	(*)

(*) Balances of these items at the reporting date were nil.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****45 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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

45 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Currency risk (continued)

Unit: VND million

As at 31 December 2023	USD	Gold	EUR	JPY	AUD	CAD	Others	Total
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.

ASIA COMMERCIAL JOINT STOCK BANK

Form B05/TCTD-HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

45 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Currency risk (continued)

		Unit: VND million							
As at 31 December 2022		USD	Gold	EUR	JPY	AUD	CAD	Others	Total
Assets									
Cash on hand, gold and gemstones		1,021,641	156,998	6,934	5,236	7,350	12,829	910	1,211,898
Balances with the State Bank of Vietnam		999,885	-	-	-	-	-	-	999,885
Deposits with and loans to other credit institutions (i)		18,565,471	-	211,947	2,284,468	85,927	7,056	38,156	21,193,025
Derivatives and other financial assets		(5,651,350)	-	(7)	(1,516,870)	-	-	18	(7,168,209)
Loans to customers (i)		9,081,658	9,225	-	-	-	-	-	9,090,883
Other assets (i)		1,807,071	4,048	27,299	48,696	-	8	12	1,887,134
Total assets		25,824,376	170,271	246,173	821,530	93,277	19,893	39,096	27,214,616
Liabilities									
Deposits and borrowings from other credit institutions		16,520,884	-	27,260	48,593	-	-	-	16,596,737
Deposits from customers		11,964,448	-	200,765	682,142	77,586	12,763	25,101	12,962,805
Funds and entrusted investments received from the Government, international and other credit institutions		355,976	-	-	17,243	-	-	-	17,243
Other liabilities		-	-	19,044	7,216	11,426	8,162	5,731	407,555
Total liabilities		28,841,308	-	247,069	755,194	89,012	20,925	30,832	29,984,340
FX position on-balance sheet		(3,016,932)	170,271	(896)	66,336	4,265	(1,032)	8,264	(2,769,724)
FX position off-balance sheet		(165,851)	-	2,017	(65,767)	2,410	1,130	(6,122)	(232,183)
FX position on and off-balance sheet		(3,182,783)	170,271	1,121	569	6,675	98	2,142	(3,001,907)

(i) These items do not include allowance.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****45 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.

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 ability to meet liquidity needs and complying with the regulations of the SBV on liquidity management.

Management of liquidity risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

45 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

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

Unit: VND million

(i) These items do not include the allowance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

45 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

	Unit: VND million				
	Overdue		Current		
	Over 3 months	Up to 3 months	Up to 1 month	From over 1 month to 3 months	From over 1 year to 5 years
As at 31 December 2022					Total
Assets					
Cash on hand, gold and gemstones	-	-	8,460,892	-	-
Balances with the State Bank of Vietnam	-	-	13,657,531	-	-
Deposits with and loans to other credit institutions (i)	-	-	64,235,059	21,076,100	50,000
Held-for-trading securities (i)	-	-	1,320,941	-	-
Derivatives and other financial assets	-	-	100,072	-	-
Loans to customers (i)	1,814,081	1,780,163	25,366,439	72,995,155	22,060,872
Investment securities (i)	-	-	613,212	599,882	15,299,656
Long-term investments (i)	-	-	-	-	303,387
Fixed assets	-	-	-	-	3,981,376
Investment property	-	-	-	-	177,005
Other assets (i)	176,189	-	9,877,531	-	-
Total assets	1,990,270	1,780,163	123,631,677	94,671,137	166,036,774
					613,317,275
Liabilities					
Due to the Government and the State Bank of Vietnam	-	-	1,666	504,210	-
Deposits and borrowings from other credit institutions	-	-	41,857,188	24,214,472	6,432
Deposits from customers	-	-	200,195,533	61,983,503	7,443,664
Funds and entrusted investments received from the Government, international and other credit institutions	-	-	-	4,270	33,502
Valuable papers issued	-	-	-	-	27,344,116
Other liabilities	-	-	22,080,998	167,000	-
Total liabilities	-	-	264,135,385	86,873,455	2,418,885
					549,436,522
Net liquidity gap	1,990,270	1,780,163	(140,503,708)	7,797,682	163,617,889
					63,880,753

(i) These items do not include the allowance.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****45 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 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 financial statements applicable to credit institutions. The fair values of these financial instruments may differ from their carrying amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

46 SEGMENT REPORTING

46.1 Business segments

	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 and similar income	51,763,519	537,160	2,157	175,586	3,891	(135,517)	52,346,796
External interest and similar income	51,706,468	464,352	4	175,557	415	-	52,346,796
Internal interest and similar income	57,051	72,808	2,153	29	3,476	(135,517)	-
2. Fee and commission income	4,615,554	328,236	-	-	2,041	(80)	4,945,751
3. Other income	4,905,366	287,693	-	8,198	335	(3,137)	5,198,455
Expenses							
1. Interest and similar expenses	(27,353,221)	(194,575)	-	(59,082)	-	219,652	(27,387,226)
External interest and similar expenses	(27,274,755)	(194,575)	-	(2,031)	-	84,135	(27,387,226)
Internal interest and similar expenses	(78,466)	-	-	(57,051)	-	135,517	-
2. Depreciation and amortisation expenses	(368,629)	(23,140)	-	(266)	(17)	-	(392,052)
3. Other expenses	(12,345,466)	(462,545)	(1,092)	(29,635)	(3,468)	2,712	(12,839,494)
Operating profit before allowance expenses for credit losses	21,217,123	472,829	1,065	94,801	2,782	83,630	21,872,230
Allowance expenses for credit losses	(1,783,020)	(1,274)	-	(19,937)	-	-	(1,804,231)
Profit before tax	19,434,103	471,555	1,065	74,864	2,782	83,630	20,067,999

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

46 SEGMENT REPORTING (continued)

46.1 Business segments (continued)

	2022						
	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 and similar income	40,193,091	449,514	1,063	128,363	2,546	(75,743)	40,698,834
<i>External interest and similar income</i>	40,155,058	415,440	3	128,333	-	-	40,698,834
<i>Internal interest and similar income</i>	38,033	34,074	1,060	30	2,546	(75,743)	-
2. Fee and commission income	4,690,843	508,441	-	-	819	(142,544)	5,057,559
3. Other income	2,199,478	42,666	85,364	1,431	361	(90,333)	2,238,967
Expenses							
1. Interest and similar expenses	(17,086,337)	(180,478)	-	(38,493)	-	140,003	(17,165,305)
<i>External interest and similar expenses</i>	(17,048,627)	(180,478)	-	(460)	-	64,260	(17,165,305)
<i>Internal interest and similar expenses</i>	(37,710)	-	-	(38,033)	-	75,743	-
2. Depreciation and amortisation expenses	(352,609)	(14,645)	-	(182)	(4)	-	(367,440)
3. Other expenses	(12,549,176)	(671,097)	(57,581)	(26,197)	(1,108)	27,566	(13,277,593)
Operating profit before allowance expenses for credit losses	17,095,290	134,401	28,846	64,922	2,614	(141,051)	17,185,022
Allowance expenses for credit losses	(73,443)	(1)	-	2,630	-	-	(70,814)
Profit before tax	17,021,847	134,400	28,846	67,552	2,614	(141,051)	17,114,208

ASIA COMMERCIAL JOINT STOCK BANK

Form B05/TCTD-HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

46 SEGMENT REPORTING (continued)

46.1 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
	711,714,921	11,762,180	210,852	1,768,795	57,560	(6,719,719)	718,794,589
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
	642,463,172	6,202,824	150,077	1,151,779	1,054	(2,130,278)	647,838,628

ASIA COMMERCIAL JOINT STOCK BANK

Form B05/TCTD-HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

46 SEGMENT REPORTING (continued)

46.1 Business segments (continued)

As at 31 December 2022	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	8,460,883	-	9	-	-	-	8,460,892
2. Fixed assets	3,904,151	75,752	-	1,427	46	-	3,981,376
3. Other assets	594,594,915	5,568,599	227,824	1,520,915	54,738	(6,534,074)	595,432,917
	606,959,949	5,644,351	227,833	1,522,342	54,784	(6,534,074)	607,875,185
Liabilities							
1. External liabilities	538,555,502	1,447,608	149,945	951,160	244	(2,858,692)	538,245,767
2. Internal liabilities	1,656,901	29,169	71	14,134	305	-	1,700,580
3. Other liabilities	9,490,114	-	61	-	-	-	9,490,175
	549,702,517	1,476,777	150,077	965,294	549	(2,858,692)	549,436,522

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**


46 SEGMENT REPORTING (continued)


46.2 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 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 year ended 31 December 2023					
Profit before tax	<u>2,569,585</u>	<u>1,529,292</u>	<u>15,885,491</u>	<u>83,631</u>	<u>20,067,999</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 2022					
Assets	86,875,381	64,568,858	589,651,441	(133,220,495)	607,875,185
Liabilities	84,784,267	62,881,838	531,315,549	(129,545,132)	549,436,522
For the year ended 31 December 2022					
Profit before tax	<u>2,113,741</u>	<u>1,687,022</u>	<u>13,454,496</u>	<u>(141,051)</u>	<u>17,114,208</u>


Duong Thi Nguyet
Chief Accountant


Tu Tien Phat
General Director
Legal Representative


Dam Van Tuan (*)
Member of the Board of Directors
26 February 2024

(*) Authorised signature on financial statements according to Letter of Authorisation No. 233/UQ - HDQT.24 dated 23 February 2024 by the Chairman.

