

VietCredit Finance Joint Stock Company

Financial statements

For the year ended 31 December 2023



VietCredit Finance Joint Stock Company

Financial statements

For the year ended 31 December 2023



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VietCredit Finance Joint Stock Company

GENERAL INFORMATION

THE COMPANY

VietCredit Finance Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam. The Company was established in the original name of Cement Finance Joint Stock Company under Finance Company Establishment and Operation License No. 142/GP-NHNN dated 29 May 2008 issued by the State Bank of Vietnam (“SBV”) (“License 142”) with the duration of 50 years from 29 May 2008. The Company officially commenced business operation on 5 September 2008.

The Company changed its name to VietCredit Finance Joint Stock Company under Finance Company Establishment and Operation License No. 59/GP-NHNN dated 18 June 2018 issued by the State Bank of Vietnam (“License 59”). License 59 was most recently renewed and superseded by Financial Company Establishment and Operation License No. 48/GP-NHNN issued by the State Bank of Vietnam on November 6, 2023. The operation duration of VietCredit Finance Joint Stock Company is 50 years from 29 May 2008.

The current principle activities of the Company under Establishment and Operation License are mobilizing and receiving deposit funds with the term of more than one year from organizations; granting short-, medium- and long-term loans, consumption loans and finance leases to organizations and individuals based on the nature and capability of the Company’s sources of capital; conducting financial services, foreign currency trading, treasury services and other cash services as approved by the SBV.

BOARD OF DIRECTORS

Members of the Board of Directors of the Company during the period and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>
Mr. Nguyen Duc Phuong	Chairman
Mr. Ho Minh Tam	Member
Mr. Nguyen Duc Huynh	Member
Mr. Nguyen Lan Trung Anh	Member
Mr. Luu Cong Toai	Independent Member (from 27/04/2023)
Mr. Nguyen Chi Hieu	Member (until 27/04/2023)
Mr. Pham Hai Au	Member (until 27/04/2023)

BOARD OF SUPERVISION

Members of the Board of Supervision of the Company during the period and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>
Mr. Tran Viet Phuong	Head of the Board of Supervision
Mr. Ho Hong Hai	Specialist Member
Mr. Tran Hong Giang	Member

VietCredit Finance Joint Stock Company

GENERAL INFORMATION (continued)

BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT/HEAD OF ACCOUNTING DEPARTMENT

Members of the Board of Management and Chief Accountant/Head of Accounting Department of the Company during the period and at the date of this report are as follows:

<i>Name</i>	<i>Position</i>
Mr. Ho Minh Tam	Chief Executive Officer
Ms. Vu Thuc Quyen	Deputy Chief Executive Officer (until 30/06/2023)
Mr. Le Phuong Hai	Deputy Chief Executive Officer
Mr. Huynh Le Khanh	Deputy Chief Executive Officer
Mr. Jan PaCák	Deputy Chief Executive Officer
Ms. Tran Thi Van Anh	Chief Accountant (until 04/05/2023)
Ms. Le Hong Hanh	Head of Accounting Department (from 05/05/2023 until 25/08/2023)
Ms. Trang Ngoc Yen Vy	Head of Accounting Department (from 26/08/2023)

LEGAL REPRESENTATIVE

The legal representative of the Company during the period from 01 January 2023 to the date of this report is Mr. Ho Minh Tam – Chief Executive Officer.

AUDITORS

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

VietCredit Finance Joint Stock Company

REPORT OF MANAGEMENT

Management of VietCredit Finance Joint Stock Company (“the Company”) is pleased to present this report and the financial statements of the Company for the year ended 31 December 2023.

MANAGEMENT’S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management of the Company is responsible for ensuring that the financial statements which give a true and fair view of the financial position of the Company, the results of its operations and its cash flows for the period. In preparing these financial statements, Management is required to:

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

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

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

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and other statutory requirements relevant to preparation and presentation of the financial statements.



Mr. Hồ Minh Tam
Chief Executive Officer

Hanoi, Vietnam

15 March 2024

Reference: 60758145/E-67436627/EFS

INDEPENDENT AUDITOR'S REPORT

To: **The Shareholders of
VietCredit Finance Joint Stock Company**

We have audited the accompanying financial statements of VietCredit Finance Joint Stock Company ("the Company") as prepared on 15 March 2024 and set out on pages 6 to 70 which comprise the financial position as at 31 December 2023, the income statement and the cash flow statement for the year then ended and the notes thereto.

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from 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 auditors' judgment, 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 auditors consider internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

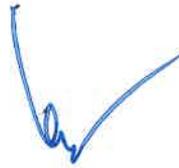
Other matter

The Company's financial statements for the year ended 31 December 2022 have been reviewed by another auditor which expressed an unmodified opinion on those financial statements as at 30 March 2023.

Ernst & Young Vietnam Limited



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



Hoang Thi Hong Minh
Auditor
Audit Practising Registration
Certificate No. 0761-2023-004-1

Hanoi, Vietnam

15 March 2024

STATEMENT OF FINANCIAL POSITION
as at 31 December 2023

	<i>Notes</i>	<i>31 December 2023</i> VND	<i>31 December 2022</i> VND
ASSETS			
Balances with the State Bank of Vietnam (SBV)	5	78,445,656	300,818,393
Placements with and loans to other credit institutions (CIs)	6	1,591,243,634,689	1,064,998,721,471
Placements with other credit institutions		1,591,243,634,689	1,064,998,721,471
Loans to customers		4,184,309,272,455	4,138,210,359,383
Loans to customers	7	4,621,314,961,406	4,418,438,448,310
Provision for loans to customers	7.5	(437,005,688,951)	(280,228,088,927)
Investment securities	8	459,090,655,935	575,578,387,899
Available-for-sale securities		300,000,000,000	360,000,000,000
Held to maturity securities		182,200,000,000	262,200,000,000
Provision for investment securities		(23,109,344,065)	(46,621,612,101)
Long-term investment		3,239,754,300	3,479,736,100
Other long-term investments	9	14,509,062,700	14,509,062,700
Provision for long-term investments	9	(11,269,308,400)	(11,029,326,600)
Fixed assets		42,130,570,494	51,680,152,157
Tangible fixed assets	10.1	14,086,569,037	15,976,904,299
Cost		41,873,801,322	38,501,234,322
Accumulated depreciation		(27,787,232,285)	(22,524,330,023)
Intangible fixed assets	10.2	28,044,001,457	35,703,247,858
Cost		80,867,611,115	75,567,398,615
Accumulated amortization		(52,823,609,658)	(39,864,150,757)
Other assets	11	569,580,076,520	701,004,431,486
Receivables	11.1	78,955,570,237	48,933,488,512
Interest and fee receivables	11.2	73,861,966,734	131,703,391,191
Other assets	11.3	417,806,123,818	523,398,253,168
Provision for other assets	11.4	(1,043,584,269)	(3,030,701,385)
TOTAL ASSETS		6,849,672,410,049	6,535,252,606,889

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

	Notes	31 December 2023 VND	31 December 2022 VND
LIABILITIES			
Borrowings from the Government and other credit institutions (CIs)			
Deposits from other credit institutions	12.1	1,600,000,000,000	739,000,000,000
Borrowings from other credit institutions	12.2	870,000,000,000	535,000,000,000
Customers' deposits	13	472,087,290,541	421,117,939,248
Valuable papers issued	14	2,814,500,000,000	3,693,200,000,000
Other liabilities			
Interest and fee payables	15.1	122,483,150,227	201,123,095,715
Other payables and liabilities	15.2	98,365,356,724	87,504,502,439
TOTAL LIABILITIES		5,977,435,797,492	5,676,945,537,402
OWNERS' EQUITY			
Charter capital	16	701,372,140,000	701,372,140,000
Reserved funds		53,509,715,268	44,003,635,103
Retained earnings	16	117,354,757,289	112,931,294,384
TOTAL OWNERS' EQUITY	16	872,236,612,557	858,307,069,487
TOTAL LIABILITIES AND OWNERS' EQUITY		6,849,672,410,049	6,535,252,606,889

OFF-BALANCE SHEET ITEMS

	Notes	31 December 2023 VND	31 December 2022 VND
Off-Balance Sheet Commitments			
Irrevocable loan commitments	30.4	3,935,948,164,150	2,935,956,970,704
Other guarantees	30.5	-	43,419,000,000
Other Off-Balance Sheet Items			
Uncollected interests and fee receivables	30.1	473,366,423,733	250,490,810,688
Bad debts written off	30.2	448,347,234,928	1,087,144,649,468
Other assets and documents	30.3	287,891,597,913	646,623,720,930

Prepared by:


Mr. Tran Quang Trung
Accountant

Approved by:


Ms. Trang Ngoc Yen Vy
Head of Accounting
Department

Approved by:

Mr. Ho Minh Tam
Chief Executive Officer

Hanoi, Vietnam

15 March 2024

INCOME STATEMENT
for the year ended 31 December 2023

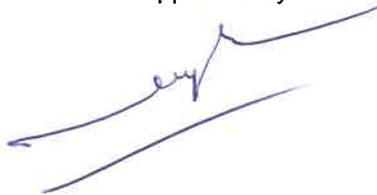
	Notes	For the year ended 31 December 2023 VND	For the year ended 31 December 2022 VND
Interest and similar income	17	1,335,956,941,832	1,685,962,405,705
Interest and similar expenses	18	(420,110,668,043)	(370,927,368,792)
Net interest and similar income		915,846,273,789	1,315,035,036,913
Fee and commission income		80,144,652,101	44,041,396,293
Fee and commission expenses		(32,699,915,289)	(59,407,894,484)
Net fee and commission income	19	47,444,736,812	(15,366,498,191)
Net gains from trading of foreign currencies	20	2,566,605	(2,134,461,393)
Net gains from trading securities	21	154,760,612	5,471,773,612
Net gains from investment securities	22	(8,039,999,658)	(2,451,551,803)
Other operating income		536,966,966,215	156,440,629,586
Other operating expenses		(63,598,225,200)	(37,112,040,204)
Net gains from other operating activities	23	473,368,741,015	119,328,589,382
TOTAL OPERATING INCOME		1,428,777,079,175	1,419,882,888,520
TOTAL OPERATING EXPENSES	24	(578,044,555,066)	(631,954,340,611)
Net profit before provision for credit losses		850,732,524,109	787,928,547,909
Provision expenses for credit losses		(828,674,310,805)	(712,363,903,754)
PROFIT BEFORE TAX		22,058,213,304	75,564,644,155
Current corporate income tax ("CIT") expenses	26	(5,428,670,234)	(12,190,776,388)
Total CIT expenses		(5,428,670,234)	(12,190,776,388)
PROFIT AFTER TAX		16,629,543,070	63,373,867,767
Basic earnings per share		187	877

Prepared by:



Mr. Tran Quang Trung
Accountant

Approved by:



Ms. Trang Ngoc Yen Vy
Head of Accounting
Department

Approved by:



Mr. Ho Minh Tam
Chief Executive Officer



Hanoi, Vietnam

15 March 2024

CASH FLOW STATEMENT
for the year ended 31 December 2023

	<i>Notes</i>	<i>For the year ended 31 December 2023 VND</i>	<i>For the year ended 31 December 2022 VND</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar receipts		1,396,930,465,551	1,719,614,406,528
Interest and similar payments		(498,750,613,531)	(322,817,439,136)
Fee and commission income/(expenses)		44,312,637,550	(15,366,498,191)
Net receipts/(payments) from trading of foreign currencies, gold and securities		157,327,559	(6,091,783,634)
Other operating expenses		418,531,313,968	47,371,754,891
Recoveries from bad debts previously written-off	23	54,825,543,714	71,636,834,491
Payments for operating and personnel expenses		(576,835,062,709)	(606,462,871,920)
Corporate income tax paid during the year	26	(3,760,154,939)	(13,420,038,371)
Net cash flows from operating activities before changes in operating assets and liabilities		835,411,457,163	874,464,364,658
Changes in operating assets		(692,467,302,138)	(353,337,279,140)
Decrease in trading securities		140,000,000,000	1,207,090,465,530
Increase in loans to customers		(202,876,513,096)	(870,236,042,311)
Decrease in provision to written off loan to customers, securities and long-term investment losses		(703,505,393,038)	(656,086,753,599)
Increase/(Decrease) in other operating assets		73,914,603,996	(34,104,948,760)
Changes in operating liabilities		391,892,214,623	201,452,186,619
Increase in deposits, loans from credit institution		1,196,000,000,000	164,000,000,000
Increase in customer deposits		50,969,351,293	256,287,158,354
Decrease in valuable papers issued		(878,700,000,000)	(178,200,000,000)
(Increase)/Decrease in other liabilities		26,870,512,833	(39,724,908,035)
Expenses from credit institutions' funds		(3,247,649,503)	(910,063,700)
Net cash flows from operating activities		534,836,369,648	722,579,272,137
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(8,825,712,500)	(22,237,654,200)
Proceeds from disposal of fixed assets		11,883,333	320,000,000
Net cash flows used in investing activities		(8,813,829,167)	(21,917,654,200)

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

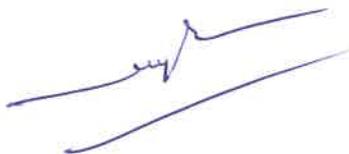
	<i>Notes</i>	<i>For the year ended 31 December 2023 VND</i>	<i>For the year ended 31 December 2022 VND</i>
CASH FLOWS FROM FINANCIAL ACTIVITIES			
Proceeds from issuing shares		-	13,500,000,000
Net cash flows from financial activities		-	13,500,000,000
Net cash flows during the period		526,022,540,481	714,161,617,937
Cash and cash equivalents at the beginning of the period	28	1,065,299,539,864	351,137,921,927
Cash and cash equivalents at the end of the period	28	1,591,322,080,345	1,065,299,539,864

Prepared by:



Mr. Tran Quang Trung
Accountant

Approved by:



Ms. Trang Ngoc Yen Vy
Head of Accounting
Department

Approved by:



Mr. Ho Minh Tam
Chief Executive Officer

Hanoi, Vietnam

15 March 2024

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

1. GENERAL INFORMATION

Establishment and Operation

VietCredit Finance Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam. The Company was established in the original name of Cement Finance Joint Stock Company under Finance Company Establishment and Operation License No.142/GP-NHNN dated 29 May 2008 issued by the State Bank of Vietnam (“SBV”) (“License 142”) with the duration of 50 years from 29 May 2008. The Company officially commenced business operation on 5 September 2008.

The Company changed its name to VietCredit Finance Joint Stock Company under Finance Company Establishment and Operation License No. 59/GP-NHNN dated 18 June 2018 issued by the State Bank of Vietnam (“License 59”). License 59 superseded License 142 and came into effect from 18 June 2018. License 59 was most recently renewed and superseded by Financial Company Establishment and Operation License No. 48/GP-NHNN issued by the State Bank of Vietnam on November 6, 2023. The operation duration of VietCredit Finance Joint Stock Company is 50 years from 29 May 2008.

The current principle activities of the Company under Establishment and Operation License are mobilizing and receiving deposit funds with the term of more than one year from organizations; granting short-, medium- and long-term loans, consumption loans and finance leases to organizations and individuals based on the nature and capability of the Company’s sources of capital; conducting financial services, foreign currency trading, treasury services and other cash services as approved by the SBV.

Charter Capital

As at 31 December 2023, the charter capital of the Company is VND 701,372,140,000 (31 December 2022: VND 701,372,140,000).

Location

The Company’s head office is located at Floor 17, Mipec Tower, No. 229 Tay Son Street, Nga Tu So Ward, Dong Da District, Hanoi. As at 31 December 2023 and 31 December 2022, the Company had one (1) Head Office in Hanoi and one (1) branch in Ho Chi Minh City.

Employees

As at 31 December 2023, total number of employees of the Company is 1,327 persons (31 December 2022: 1,736 persons).

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

2.1 *Accounting period*

The Company’s fiscal year starts on 1 January and ends on 31 December.

2.2 *Accounting currency*

The financial statements are prepared in Vietnam Dong (“VND”), which is also the accounting currency of the Company.

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

3. APPLIED ACCOUNTING STANDARDS AND SYSTEM

3.1 *Statement of compliance*

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

3.2 *Accounting standards and system*

The financial statements of the Company are prepared in accordance with the Accounting System applicable to Credit Institutions required under Decision No. 479/2004/QD-NHNN dated 29 April 2004, Decision No. 16/2007/QD/NHNN dated 18 April 2007, Circular No. 10/2014/TT-NHNN dated 20 March 2014 and Circular No. 22/2017/TT-NHNN dated 29 December 2017 amending and supplementing Decision No. 479/2004/QD-NHNN; the financial reporting regime applicable to credit institutions required under Decision No. 16/2007/QD-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QD-NHNN and accounting system credit institutions issued with Decision No. 479/2004/QD-NHNN of the Governor of the State Bank of Vietnam and Vietnamese Accounting Standards issued by the Ministry of Finance and Circular No. 27/2021/TT-NHNN dated 31 December 2021 amending and supplementing a number of articles of accounting system credit institutions issued with Decision No. 479/2004/QD-NHNN of the Governor of the State Bank of Vietnam dated 29 April 2004 and the financial reporting regime applicable to credit institutions issued with Decision No. 16/2007/QD-NHNN dated 18 April 2007 of the Governor of the State Bank of Vietnam as per:

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

Accordingly, the accompanying statement of financial position, the income statement, the cash flow statement and the notes to the financial statements and their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Items that are not presented in these financial statements regarding the financial reporting regime for credit institutions as required by Decision No. 16/2007/QD-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV indicate nil balance.

3.3 *Basis of assumptions and uses of estimates*

The presentation of the financial statements requires Management of the Company to makes estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provision. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty. Therefore, the actual results may differ resulting in future changes in such relating items.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 *Changes in accounting policies*

The accounting policies adopted by the Company in preparation of the financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2023, except for:

Circular No. 18/2022/TT-NHNN amending and supplementing a number of articles of Circular 09/2015/TT-NHNN dated 17 July 2015 of the Governor of the State Bank on debt purchase and sale activities of credit institutions, branches of foreign banks ("Circular 18").

On 26 December 2022, the SBV issued Circular 18 amending and supplementing a number of articles of Circular 09/2015/TT-NHNN dated 17 July 2015 of the Governor of the State Bank of Vietnam regulations on debt purchase and sale activities of credit institutions and foreign bank branches.

Circular 18 abolishes regulations on credit institutions to self-organize the debt auction, and amends and supplements regulations on:

- ▶ Principles of debt trading;
- ▶ Buying and selling debt in case the debt purchaser has not fully paid the debt purchase amount;
- ▶ Manage tracking in case of partial sale of debt or sale a debt to multiple debt buyers;
- ▶ Management of purchased or sold debts; and
- ▶ Financial handling, accounting for purchased or sold debts.

Circular 18 takes effect from 9 February 2023.

Circular No. 02/2023/TT-NHNN of the Governor of the State Bank of Vietnam stipulating that credit institutions and foreign bank branches restructure the repayment term and retain debt classification in order to support customers in difficulty ("Circular 02").

On 23 April 2023, the State Bank of Vietnam issued Circular 02 stipulating the rescheduling of debt repayment, retaining the debt classification, and making risk provisions to support customers facing difficulties in production and business activities businesses and customers have difficulty repaying loans to serve the needs of life and consumption. The main contents include:

- ▶ Regulations on conditions for debts to be restructured in terms of repayment and retaining the debt group;
- ▶ Regulations on making specific provisions, specific additional provisions, general provisions, and accrual interest for customers whose debt balances have been rescheduled for repayment.

This Circular takes effect from 24 April 2023.

4.2 *Cash and cash equivalents*

Cash and cash equivalents include cash, demand deposits, deposits with original terms not exceeding three (03) months and short-term investments with an original maturity of three months or less from the date of purchase, readily convertible to a certain amount of cash and subject to low risk of changes in value, and held for the purpose of meeting short-term payment commitments rather than for investment or other purposes.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 *Placements with other credit institutions*

Placements with other credit institutions include demand deposits and term deposits at other credit institutions with original terms not exceeding three (03) months.

Loans to other credit institutions are loans with original terms not exceeding twelve (12) months.

Placements with other credit institutions, excluding demand deposits, and loans to credit institutions are stated at the principal balance less allowance for specific credit losses. Placements with other credit institutions are presented at the principal amounts outstanding.

The classification of credit risk for placements with and loans to other credit institutions and provision for credit risks is made in accordance with Circular No. 11/2021/TT-NHNN issued by the SBV dated 30 July 2021 regulating the classification of assets, the level and method of risk provisioning and the use of provisions against credit risks in the operations of credit institutions and foreign bank branches ("*Circular 11*"). The Company sets up specific provisions for placements with (except for current accounts) and loans to other credit institutions according to the method as described in *Note 4.5*.

According to Circular 11, the Company is not required to make a general provision for placements with other credit institutions.

4.4 *Loans to customers*

Loans to customers are stated at the amount of principal less allowance for loans to customers, including specific allowance for loans and general allowance for loans.

Short-term loans have maturity of less than or equal to one (01) year from the disbursement date. Medium-term loans have maturity from more than one (01) year to five (05) years from the disbursement date. Long-term loans have maturity from more than five (05) years from the disbursement date.

The Company derecognizes loans to customers when the contractual rights to the cash flows from the loans expire, or it transfers the loans in a transaction in which substantially all of the risks and rewards of ownership of the loans are transferred to other parties.

Loan classification and provision for credit losses are made according to Circular 11 as presented in *Note 4.5*.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses applied to placements with other credit institutions and loans to customers*

The Company applies the quantitative method specified in Article 10 of Circular 11 in classifying debts for the following assets: deposits and credits with financial institutions and other credit institutions; purchase and entrust purchase of unlisted corporate bonds (including bonds issued by other credit institutions); loans to customers; credit granting entrustment; purchase and sell debt according to regulations; purchase and sell government bonds on the stock market; purchase promissory notes, bills, certificates of deposit issued by credit institutions and other foreign bank branches (collectively called “debts”).

Debt classification for deposits and credit granting to financial institutions, other credit institutions, purchase and entrustment to purchase unlisted corporate bonds, loans to customers, entrustment for credit granting and other receivables subject to other credit risks (collectively called “debts”) are carried out by the quantitative method specified in Article 10 of Circular 11. Accordingly, the Company performs monthly debt classification based on the principal balance at the last day of the month.

According to Circular 11, the Company makes general provision as at 31 December at the rate of 0,75% of the total balance as at 31 December for debts excluding deposits and credits to financial institutions, other credit institutions; loans, forward trade of valuable papers between credit institutions; debts are classified into loss; purchases of promissory notes and bills; certificates of deposit, bonds issued domestically by credit institutions, foreign bank branches; government bonds repurchase. Specific provision for debts as at 31 December is made based on the outstanding balance multiplied by provision rates which are determined based on the debt classifications as at 31 December. The basis for determining value and deductible value of each type of collateral is specified in Circular 11.

The specific provision rates for each group are as follows:



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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Loan classification and provision for credit losses applied to placements with other credit institutions and loans to customers (continued)

Group		Description	Provision rate
1	Current	(a) Current debts are assessed as fully and timely recoverable for both principals and interests; or (b) Debts are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	0%
2	Special mention	(a) Debts are overdue for a period of between 10 days and 90 days; or (b) Debts with first-time restructured repayment terms which are undue.	5%
3	Sub standard	(a) Debts are overdue for a period of between 91 days and 180 days; or (b) Debts with first-time extended repayment terms which undue; or (c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under credit contracts; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: <ul style="list-style-type: none"> ▪ Debts made in compliance with Clause 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or ▪ Debts made in compliance with Clause 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or ▪ Debts made in compliance with Clauses 1, 2 and 5 under Article 128 of Law on Credit Institutions. 	20%
		(e) Debts are required to be recovered according to regulatory inspection conclusions.	

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Loan classification and provision for credit losses applied to placements with other credit institutions and loans to customers (continued)

Group		Description	Provision rate
4	Doubtful	(a) Debts are overdue for a period of between 181 days and 360 days; or (b) Debts which the repayment terms are restructured for the first time but still overdue for a period up to 90 days under that restructured repayment term; or (c) Debts which the repayment terms are restructured for the second time; or (d) Debts are specified in point (d) of Loan group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or (e) Debts are required to be recovered according to regulatory inspection, examination conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection, examination conclusions.	50%
5	Loss	(a) Debts are overdue for a period of more than 360 days; or (b) Debts which the repayment terms are restructured for the first time but still overdue for a period from 91 days or more under that first restructured repayment term; or (c) Debts which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or (e) Debts are specified in point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts are required to be recovered under regulatory inspection, examination conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection, examination conclusions; or (g) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches which capital and assets are blocked.	100%

For off-balance sheet commitments, the Company classified debts based on the number of overdue days from the date when the Company performs its obligation under the commitments:

- ▶ Group 3 – Sub-standard debts: overdue below 30 days;
- ▶ Group 4 – Doubtful debts: overdue from 30 days to less than 90 days;
- ▶ Group 5 – Loss debts; overdue from 90 days and above.

Bad debts are those under Groups 3, 4 and 5.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses applied to placements with other credit institutions and loans to customers* (continued)

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

Debts are classified into a higher risk debt group in the following cases:

- (a) Profitability ratio, solvency ratio, debt-to-capital ratio, cash flows and debt repayment ability of customers have decreased continuously through 03 consecutive debt assessment and classification periods;
- (b) The Customers fail to provide sufficient, timely and truthful information as required to assess the customer's debt repayment ability;
- (c) Debts that have been classified into Special mentioned, Substandard and Doubtful debts as prescribed in points (a), (b) above for 01 (one) year or more but are not eligible to be classified into a debt group with lower risk;
- (d) Debts for which the act of granting credit is administratively sanctioned as prescribed by law.

In case the debt of the customer is classified into a debt group with a lower risk level than the debt group according to the list provided by the Credit Information Center of the SBV ("CIC"), the Company must adjust the debt classification results by the debt group provided by CIC.

From 13 March 2020, the Company applied Circular No. 01/2020/TT-NHNN ("Circular 01") issued by the State Bank of Vietnam providing regulations on loan restructuring, interest and/or fees exemption or reduction and debt classification retention for credit institutions and foreign bank branches to assist customers affected by the COVID-19 pandemic. Accordingly, for loans that principal and/or interest payment obligations incur during the period from 23 January 2020 to the day after 3 months from the date the Prime Minister announces the end of the COVID-19 pandemic, and these customers fail to make the principal and/or interest payment on time under the signed loan agreements, contracts due to the decrease in revenue and income affected by the COVID-19 pandemic, the Company is allowed to restructure the repayment term for these debts and retain the latest debt classification as before 23 January 2020.

From 17 May 2021, the Company applied Circular No. 03/2021/TT-NHNN ("Circular 03") dated 2 April 2021 by the State Bank of Vietnam amending and supplementing a number of articles of Circular 01. Accordingly, for loans arising before 10 June 2020 and having principal and/or interest payment obligations incur during the period from 23 January 2020 to 31 December 2021, and these customers fail to make the principal and/or interest payment on time under the signed loan agreements, contracts due to the decrease in revenue and income affected by the COVID-19 pandemic.

From 7 September 2021, the Company applied Circular No. 14/2021/TT-NHNN ("Circular 14") issued by the State Bank of Vietnam amending and supplementing a number of articles of Circular 01 providing regulations on loan restructuring, interest and/or fees exemption or reduction and debt classification retention for credit institutions and foreign bank branches to assist customers affected by the COVID-19 pandemic, specifically as follows:

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses applied to placements with other credit institutions and loans to customers* (continued)

<i>Disbursement date</i>	<i>Payment obligation due</i>	<i>Overdue status</i>	<i>Overdue date</i>	<i>Principle of debt classification retention</i>
Before 23/1/2020	From 23/1/2020 to 30/6/2022	Current or overdue for a period of 10 days	From 30/3/2020 to before 30/6/2022	Retain the latest debt classification as before 23 January 2020 according to the Bank's debt classification policy.
From 23/1/2020 to before 1/8/2021		Current or overdue for a period of 10 days	From 17/5/2021 to before 17/7/2021 or from 7/9/2021 to 30/6/2022	Retain the latest debt classification as before the date of the first time restructure according to the Bank's loan classification policy.
Before 23/1/2020		Overdue	From 23/1/2020 to 29/3/2020	Retain the latest debt classification as before 23 January 2020 according to the Bank's debt classification policy.
From 23/1/2020 to before 10/6/2020		Overdue	From 23/1/2020 to before 17/5/2021	Retain the latest debt classification as before overdue date according to the Bank's debt classification policy.

For the debt balance whose repayment term is restructured, interest is exempted or reduced, the group of overdue debts remains unchanged according to the restructured term and cannot be restructured by the Company in accordance with current regulations, the Company conducts debt classification and makes provision for risks in accordance with Circular 11.

Circular 03 requires the Company to make specific provisions for customers whose repayment term of outstanding balance was restructured, interest was exempted or reduced are classified into two types of debt classification as follows: (1) Classifying debt if retaining debt group as before restructuring, interest exemption or reduction; (2) Classifying debt if not retaining debt group according to the SBV's regulations on debt classification in operation of credit institutions. If the difference in provision made in accordance with debt classification (2) and debt classification (1) is positive, the Company shall make additional specific provision as follows:

<i>Additional provision</i>	<i>Duration</i>
Minimum 30% of the additional specific provision	Up to 31 December 2021
Minimum 60% of the additional specific provision	Up to 31 December 2022
100% of the additional specific provision	Up to 31 December 2023

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 *Loan classification and provision for credit losses applied to placements with other credit institutions and loans to customers* (continued)

From 1 January 2024, the Company shall make provision in accordance with regulations on making risk provision in operation of credit institutions of the SBV for all outstanding loans to customers, off-balance sheet commitments including the outstanding loans that repayment term was restructured, interest was exempted or reduced and debt classification was retained as prescribed in Circular 03.

From 24 April 2023, the Company has applied the policy of restructuring the repayment term and retaining the debt classification in order to support customers with difficulties in production and business activities and customers with debt repayment difficulties loans to meet the needs of life and consumption and meet the requirements of Circular 02 issued by the SBV, stipulating that credit institutions and foreign bank branches restructure the repayment term and retain the debt classification to help customers in need. Accordingly, for customers with outstanding debts arising before 24 April 2023, there is an obligation to repay principal and/or interest in the period from 24 April 2023 to 30 June 2024; the outstanding balance of the debt which has been rescheduled for repayment is still due or overdue up to 10 (ten) days from the date of payment due, the repayment term according to the contract or agreement, the Company is allowed to restructure the repayment term for these debts and retain the debt group as the debt group at the nearest time before rescheduling the repayment term.

Circular 02 requires the Company to make specific provisions for customers whose outstanding balances are restructured, repayment terms, interest exemption and reduction are classified into two types of debts as follows: (1) debt classification remains the same as before restructuring; (2) debt classification according to the State Bank's regulations on debt classification in credit institutions operations. In case the difference in the amount of provision that needs to be made by type of debt (2) compared to type of debt (1) is positive, the Company makes additional specific provision as follows:

<i>Additional provision</i>	<i>Duration</i>
Minimum 50% of the additional specific provision	Up to 31 December 2023
100% of the additional specific provision	Up to 31 December 2024

According to Circular 11, loans to customers are written off against the provision if they are classified in Group 5 or if the borrower is a dissolved, bankrupt organization or individual who is dead or missing.

Debts that have been risk-handled by provision are recorded in an appropriate off-balance sheet account for monitoring and debt collection. The amount recovered from the risk-resolved debt is recognized in the income statement when it is received.

According to Circular 11, the classification of off-balance sheet credit commitments is made only for the purpose of managing and monitoring the quality of credit granting activities. The Company does not make provision for off-balance sheet credit commitments, unless the Company is required to perform the payment obligation under the guarantee contract, in which case the repayment is classified and deducted from the balance sheet. Provisions are made in accordance with the accounting policies presented in *Note 4.5*.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Investment securities*

4.6.1 *Classification*

Investment securities comprise held-to-maturity investment securities and available-for-sale investment securities. The Company classifies investment securities at the purchase date. In accordance with Official Letter No. 2601/NHNN-TCKT issued by the SBV on 14 April 2009, the Company is allowed to reclassify investment securities once after initial classification at the purchase date.

Held-to-maturity investment securities

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

Available-for-sale investment securities

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

4.6.2 *Recognition*

The Company recognizes investment securities on the date of substantial transferring all the risks and rewards of ownership of these securities.

4.6.3 *Measurement*

Equity securities

Available-for-sale equity securities are initially recorded at cost including purchase cost plus other directly attributable costs such as brokerage fees, transaction fees, information fees and bank charges (if any). They are subsequently measured at the lower of book value and the market price with the allowance expenses recognized in the income statement.

For listed securities, the market price is the closing price at the latest trading date prior to the end of the accounting period. If the listed securities are not traded in 30 days before making allowances or the listed securities are cancelled or suspended from trading on the date of making allowances, allowances for investments in equity securities are determined in accordance with the accounting policies applicable to other long-term investments as specified in *Note 4.7*.

For unlisted securities which have been registered for trading in the market of unlisted public companies ("UPCOM"), the market price is the average price within the last 30 transaction days prior to the end of the accounting period. If the listed securities of a joint-stock company in the UPCOM are not traded in 30 days prior to the end of the accounting period, allowances for equity securities are determined in accordance with the accounting policies applicable to other long-term investments as specified in *Note 4.7*.

As for unlisted, unregistered equity securities, allowances for equity securities are determined in accordance with the accounting policies applicable to other long-term investments as specified in *Note 4.7*.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Investment securities* (continued)

4.6.3 *Measurement* (continued)

Debt securities

Available-for-sale debt securities and held-to-maturity debt securities are initially recorded at cost, including purchase cost plus transaction costs and other directly attributable cost. They are subsequently recognized cost (affected by premium/discount amortization) less allowance for securities risk (including allowance for credit risks and allowance for devaluation of investment securities). Premium and discounts arising from purchases of debt securities are amortized to the income statement on a straight-line basis over the period from the acquisition date to the maturity date of such securities.

Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Circular No. 48/2019/TT-BTC issued by the Ministry of Finance on 8 August 2019 and Circular No. 24/2022/TT-BTC issued by the Ministry of Finance on 7 April 2022. Provision for diminution is recognized in the "Net gain/(loss) from investment securities" account of the income statement.

Listed available-for-sale debt securities are measured at amortised cost less provision for diminution in value which is determined by reference to latest trading price at the Stock Exchange within 10 days to the end of the annual accounting period. If there is no transaction within 10 days to the end of the annual accounting period, the Company will not make provision for these securities.

Available-for-sale debt securities and held-to-maturity debt securities of unlisted enterprises are recognised at cost less provision for credit losses according to Circular 11 as described in Note 4.5.

Other investment securities are stated at cost less provision for diminution in value of securities. Provision is made when there are indicators of impairment over a long time or there are evidences that it is hard for the Company to fully recover the investment. Provision is not made for short-term changes in the price. In cases where market value of securities is not available or cannot be determined reliably, such securities are stated at cost.

Post-acquisition interest income of available-for-sale debt securities and held-to maturity debt securities is recognised in the income statement on an accrual basis. The accumulated interest income before the acquisition date is recognised as a decrease in cost upon received.

The provision for diminution in value of investment securities mentioned above is reversed if their price or their recoverable value subsequently increases after the provision was recognised. The provision is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no provision had been recognised.

4.6.4 *De-recognition*

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 *Investment securities* (continued)

4.6.5 *Special bonds issued by Vietnam Asset Management Company ("VAMC")*

Special bonds issued by VAMC are term valuable papers issued by VAMC for purchasing bad debts of the Company.

The Company accounts for debt factoring transactions using special bonds in accordance with Official Letter No. 8499/NHNN-TCKT dated 14 November 2013 ("Official Letter 8499") and Official Letter No. 925/NHNN-TCKT dated 19 February 2014 ("Official Letter 925") of the State Bank of Vietnam. The special bonds are classified into held-to-maturity investment securities and are recorded at par value at transaction date and subsequently stated at par value less allowance.

For each bad debt sold to VAMC, the Company received one special bond issued by VAMC. Par value of special bonds equals to carrying amount of loan principal balance of the bad debt less specific allowance made but not yet utilized for such bad debt.

Upon completion of bad debt factoring transactions, the Company decreases the carrying amount of the bad debts, uses the specific allowance made but not yet utilised and settle the account balance of off-balance sheet account monitoring uncollected interest income of such bad debt. At the same time, the Company recognizes special bonds issued by VAMC in the account of debt securities issued by local economic entities and held to maturity.

For special bonds issued by VAMC, specific allowance is calculated and provided in accordance with Circular No. 19/2013/TT-NHNN dated 6 September 2013, on the purchase, sale and settlement of bad debts of Vietnam Asset Management Company ("Circular 19") and Circular No. 14/2015/TT-NHNN dated 28 August 2015 of SBV, Circular No. 08/2016/TT-NHNN dated 16 June 2016 of SBV and Circular No. 09/2017/TT-NHNN dated 14 August 2017 of SBV, regarding the amendments of and supplements to a number of articles of Circular 19. Accordingly, the minimum specific allowance required to be provided each year during the term of special bonds is the positive difference between the 10% of par value of the special bonds less the debt collecting amount of the relevant bad debts during the year. On a monthly basis within 05 working days prior to the maturity date of special bonds, the Company shall make specific allowance and is not required to make general allowance for the special bonds. The Company shall make this allowance on a quarterly basis. Allowance for special bonds is recorded in the income statement.

The Company is not required to provide general allowance for the special bonds.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 *Other long-term investments*

Other long-term investments are investments in the equity of other companies without having control or significant influence. These long-term investments are initially recognised at cost at the date of acquisition, and subsequently stated at cost less provision for diminution in the value of investments.

Provision for diminution in value of long-term investments is made if the economic entity has suffered a loss which may cause the Company to lose its invested capital, unless there is evidence that the value of the investment has not been diminished. Provision for diminution in value is determined as the total actual investment capital of the owner at the investee less (-) the owner's equity of the investee multiplied (x) by the Company's ownership percentage in the investee at the end of the accounting period. The provision is reversed if the recoverable amounts are subsequently increased after the provision was recognised. The provision is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no provision had been recognised.

4.8 *Tangible fixed assets*

4.8.1 *Cost*

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures for additions, improvements and replacements are added to the carrying amount of the assets and other expenditures for maintenance and repair are charged to the income statement as 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 an item of tangible fixed assets beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

When tangible fixed assets are disposed of, any gains or losses resulting from their disposal (being the difference between net proceeds from the sale of the asset and the residual value of the asset) are charged to the income statement.

4.8.2 *Depreciation*

Depreciation of tangible fixed assets is calculated on a straight-line basis over the estimated useful life of these assets as follows:

Buildings and structures	5 years
Machinery and equipment	8 years
Office equipment	3 - 7 years

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Intangible fixed assets

4.9.1 Cost

Intangible fixed assets are stated at cost less accumulated amortization. The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

4.9.2 Amortization

Amortization of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of these assets as follows:

Computer software	3 – 7 years
Other intangible fixed assets	7 years

4.10 Operating lease

Payments for operating leases are recognized in the statement of income on a straight-line basis over the term of the lease. Lease commissions received are recognized in the income statement as an integral part of the total rental cost, during the lease term.

4.11 Receivables

Receivables that are not classified as credit risk assets are initially recognized at cost and, in subsequent periods, stated at cost less allowance for doubtful debts.

Allowance for receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are not due for payment yet but the corporate debtors have fallen into bankruptcy or are in the process of dissolution or fled the place of business, or of individual debtors who are being prosecuted, detained or tried by law enforcement bodies, are serving sentences or have serious illnesses or have died or the debt has been requested to be tried but cannot be executed due to the debtor having fled his place of residence; the debt has been sued for debt collection but the case has been suspended. Provision expense incurred is recorded in "Other operating expenses" of the income statement.

Provision for overdue debts is made in accordance with Circular No. 48/2019/TT-BTC as follows:

<u>Overdue status</u>	<u>Allowance rate</u>
From six (6) months up to under one (1) year	30%
From one (1) to under two (2) years	50%
From two (2) to under three (3) years	70%
From three (3) years and above	100%

Debt assets transferred ownership to credit institutions, pending handling

Debt assets transferred to the credit institution, pending settlement, are expressed at the amortized value of the collateral plus the completion costs to bring the asset to its intended condition and operating position less accumulated depreciation. Depreciation is calculated using the straight-line method over periods of 11 to 15 years.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 *Prepaid expenses*

Prepaid expenses include short-term or long-term prepaid expenses on the statement of financial position that are allocated over the prepayment period or the time when corresponding economic benefits are generated out from these costs.

Amortized waiting expenses related to consumer lending activities are directly incurred expenses related to lending activities and are recognized and amortized on a straight-line basis over 3 years over the contractual term currency of the loan card.

Other costs waiting for allocation are the value of tools and equipment waiting for allocation. Tools and equipment include assets held by the Company for use in the ordinary course of business, with cost of each asset less than VND 30 million and therefore ineligible for recognition as fixed assets according to current regulations. The cost of tools and equipment are amortized on a straight-line basis over a period of 1 to 3 years.

Other provisions

A provision, except for the allowances described in *Note 4.3, Note 4.4, Note 4.5, Note 4.6 and Note 4.7* is recognized if, as a result of a past event, the Company 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 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 liabilities.

4.13 *Borrowings from other credit institutions and customer deposits*

Borrowings from other credit institutions and customer deposits presented according to the original balance at the end of the accounting period.

4.14 *Valuable paper issued*

Issuance of valuable papers is recorded at cost. The cost of the issued valuable paper includes the proceeds from the issue less any direct costs related to the issuance.

4.15 *Payables and accrued expenses*

Other payables are stated at cost.

4.16 *Share capital*

Ordinary shares

Ordinary shares are recognized at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognized as a deduction from share premium.

Share premium

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Statutory reserves

The Company appropriates to statutory reserves in compliance with Law on Credit Institutions No. 47/2010/QH12, Decree No. 93/2017/ND-CP and Charter of the Company:

	<u>Percentage of profit after tax</u>	<u>Maximum</u>
Charter capital supplementary reserve	5% of profit after tax	100% charter capital
Financial reserve	10% of profit after tax	Not regulated

The financial reserve is used to cover losses incurred during the normal course of business. The financial reserve and the reserve to supplement charter capital are not used to pay dividends to shareholders or distribute profit to owners or capital contributors and classified as equity.

Other equity funds are allocated from profit after tax. The allocation from profit after tax and the utilisation of other equity funds are approved in the General Meeting of Shareholders. These funds are not required by law and are fully distributable.

The bonus and welfare fund is allocated from profit after tax according to the decision of shareholders at the Annual General Meeting of Shareholders and is mainly used to pay officers and employees of the Company.

4.18 Recognition of income and expenses

4.18.1 Interest income and interest expense

Interest income and interest expense are recognized in the income statement on an accrual basis. Accrued interest income arising from loans classified from group 2 to 5 under Circular 11 and loans under repayment term in accordance with Circular 01, Circular 03, Circular 14 and Circular 02 will not be recognized in the interim income statement. Accrued interest on these debts is recorded on off-balance sheet account and recognized in the income statement when the Company actually receives it.

Interest expenses are recognized in the interim income statement when incurred.

4.18.2 Fee and commission income

Fee and commission income is charged to the income statement when services are rendered.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 *Recognition of income and expenses* (continued)

4.18.3 *Income from investment*

Income from securities sales is recognized in the income statement upon receipt of the order matching notice from the Vietnam Securities Depository (listed securities) and the completion of the asset transfer agreement (unlisted securities) and is determined based on the difference between the selling price and the average cost of the securities sold.

Dividends received in cash and distributed profits from investments and capital contributions are recognized in the interim income statement when the Company's right to receive dividends and distributed profits are determined.

Dividends received in the form of shares are payments in shares from the profits of joint stock companies that are not recognized as an increase in the value of investments and income is not recognized in the income statement. When receiving stock dividends, the Company only updates and tracks the number of additional shares.

4.18.4 *Service operating expenses*

Service operating expenses are recognized in the income statement when incurred.

4.19 *Corporate income tax*

Current income tax

Corporate income tax on gains or losses for the period includes current income tax and deferred income tax. Corporate income tax is recognized in the income statement.

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

The company's tax reports are subject to examination by the tax authorities. Since the application of tax laws and regulations to different types of transactions can be interpreted in different ways, the tax amount presented in the financial statements is likely to be subject to change according to the final decision of the tax authority.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amount for the financial reporting purposes. The amount of deferred tax is recognized based on the expected manner in which the carrying amount of assets and liabilities is recovered or settled, using effective or substantially effective tax rates at the end of the accounting period.

Deferred tax asset is recognized only to the extent it is probable that future taxable profit will be available against which the tax asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Basic earnings per share

The Company presents basic earnings per share (EPS) for its ordinary shares, Basic earnings per share is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. As at 31 December 2023 and for the year then ended, the Company had no potential ordinary shares and therefore does not present diluted EPS.

4.21 Foreign currency transactions

According to accounting system of the Company, all transactions are recorded in original currencies.

Monetary assets and liabilities denominated in foreign currencies are converted into VND using exchange rates ruling at the reporting date. Income and expenses arising in foreign currencies during the period are converted into VND at rates ruling at the transaction dates.

Foreign exchange differences arising from the translation of monetary assets and liabilities are recognized in the income statement.

4.22 Employee benefits

4.22.1 Post-employment benefits

Post-employment benefits are paid to retired or resigned employees of the Company by the Social Insurance Agency which belongs to the Ministry of Labor, Invalids and Social Affairs, The Company will have to pay social insurance premium for each employee at the rate of 17.5% monthly basic salary, salary-related allowance and other supplements. Other than that, the Company has no further obligation relating to post-employment benefits.

4.22.2 Severance allowance

According to the Labor Code No. 45/2019/QH14 effective from 1 January 2021, and Decree No. 145/2020/ND-CP of the Government - detailing and guiding the implementation of some articles of the Labor Code on working conditions and labor relations, the Company is responsible for paying severance allowance equivalent to half a month's salary for each year of work for employees who voluntarily resign and meet all the requirements as prescribed by law. The working time to calculate the severance allowance is the total actual working time the employee has worked for the Company, minus the time the employee has participated in unemployment insurance in accordance with the law on unemployment insurance and the working time that has been paid severance allowance by the employer. The average monthly salary used to settle the severance allowance is based on the average salary of the most recent six months up to the point of the employee's resignation.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23 *Offsetting*

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

4.24 *Related parties*

Parties are related to the Company if a party directly or indirectly has the capability of controlling or imposing significant impacts on the other party's financial or operational decisions, or the Company and the counter party are jointly under common control or significant impacts. Related parties can be companies or individuals, including close family members of individuals who are considered as related parties.

4.25 *Commitments and contingent liabilities*

From time to time during its normal course of business, the Company has outstanding credit commitments. These commitments are approved and unutilized loans and overdraft facilities. The Company also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These transactions are recorded in the financial statements when performed or when related expenses are incurred or received.

4.26 *Nil balance items*

Items that are not shown in these financial statements in accordance to Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 on the regulation on financial reporting regime applicable to credit institutions issued by the SBV on 31 December 2014, and Circular No. 27/2021/TT-NHNN dated 31 December 2021 of the SBV indicate nil balances.

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

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

	<u>31 December 2023</u> VND	<u>31 December 2022</u> VND
Demand deposits at the SBV	78,445,656	300,818,393
In VND	78,445,656	300,818,393
Deposits in the escrow account	-	-
	<u>78,445,656</u>	<u>300,818,393</u>

According to the regulations of the SBV on compulsory reserves, the Company is allowed to maintain a floating balance at the compulsory reserve, calculated by 3.00% and 1.00% for term deposits under 12 months and for term deposits over 12 months in VND respectively. At the end of the period, the required reserve deposits in VND are entitled to interest rates of 0.50%/year for compulsory reserve deposits in VND and 0.00%/year for deposits exceeding compulsory reserve in VND.

During the period, the Company complied with the regulations of the State Bank of Vietnam on compulsory reserves.

6. PLACEMENTS WITH OTHER CREDIT INSTITUTIONS

	<u>31 December 2023</u> VND	<u>31 December 2022</u> VND
Demand deposits		
In VND	240,979,846,000	563,768,600,219
In foreign currencies	263,788,689	1,230,121,252
Term deposits		
In VND	1,350,000,000,000	500,000,000,000
	<u>1,591,243,634,689</u>	<u>1,064,998,721,471</u>

Interest rates of placements with other credit institutions at the end of the period are as follows:

	<u>31 December 2023</u> % per annum	<u>31 December 2022</u> % per annum
Term deposits in VND	0.55% - 3.00%	4.50% - 5.35%

Analysis of outstanding term deposits with other credit institutions at the end of the period are as follows:

	<u>31 December 2023</u> VND	<u>31 December 2022</u> VND
Current	<u>1,350,000,000,000</u>	<u>500,000,000,000</u>

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

7. LOANS TO CUSTOMERS

	<u>31 December 2023</u>	<u>31 December 2022</u>
	VND	VND
Loans to domestic economic entities and individuals	4,621,314,961,406	4,418,438,448,310
	<u>4,621,314,961,406</u>	<u>4,418,438,448,310</u>

Interest rates of loans to customers at the end of the period are as follows:

	<u>31 December 2023</u>	<u>31 December 2022</u>
	% per annum	% per annum
In VND	8.00% - 57.00%	8.00% - 51.00%

7.1 Analysis of loan portfolio by quality

	<u>31 December 2023</u>	<u>31 December 2022</u>
	VND	VND
Current	3,393,352,913,416	3,390,767,380,764
Special mention	374,568,709,050	502,601,365,427
Substandard	266,277,036,570	233,324,969,461
Doubtful	543,350,088,685	239,236,630,384
Loss	43,766,213,685	52,508,102,274
	<u>4,621,314,961,406</u>	<u>4,418,438,448,310</u>

As at 31 December 2023, the outstanding balance of loans restructured under Circular 01, Circular 03, Circular 14 and Circular 02 is VND 163,455,455,253.

7.2 Analysis of loan portfolio by original maturity

	<u>31 December 2023</u>	<u>31 December 2022</u>
	VND	VND
Short-term	1,513,340,939,241	205,643,347,995
Medium-term	3,092,428,852,805	4,192,830,153,864
Long-term	15,545,169,360	19,964,946,451
	<u>4,621,314,961,406</u>	<u>4,418,438,448,310</u>

7.3 Analysis of loan portfolio by ownership and types of customers

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	VND	%	VND	%
Economics institutions	1,055,513,850,050	22.84	55,127,020,514	1.25
- Other joint stock companies	904,841,595,050	19.58	42,872,376,169	0.97
- Private limited companies	150,672,255,000	3.26	12,254,644,345	0.28
Individuals	3,565,801,111,356	77.16	4,363,311,427,796	98.75
	<u>4,621,314,961,406</u>	<u>100.00</u>	<u>4,418,438,448,310</u>	<u>100.00</u>

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

7. LOANS TO CUSTOMERS (continued)

7.4 Analysis of loan portfolio by sectors

	31 December 2023		31 December 2022	
	VND	%	VND	%
Individual and public services	3,565,801,111,356	77.16	4,385,388,057,784	99.25
Science and technology	-	0.00	11,058,084,345	0.25
Real estate business	-	0.00	10,803,728,006	0.24
Manufacturing and production of construction materials	4,841,595,050	0.11	9,992,018,175	0.23
Commerce, repair of motor vehicles, motor cycles, individual and household appliances	672,255,000	0.01	1,196,560,000	0.03
Finance, insurance	1,050,000,000,000	22.72	-	0.00
	4,621,314,961,406	100.00	4,418,438,448,310	100.00

7.5 Provision for credit losses of loans to customers

The Company made loan classification and provision for credit losses in compliance with the SBV regulations. According to the internal policy of the Company, the outstanding loan balances as at 31 December 2023 were utilized for such classification and provision.

Changes in provision for credit losses of loans to customers for the year ended 31 December 2023 are as follows:

	General provision VND	Specific provision VND	Total VND
Balance as at 1 January 2023	32,744,478,963	247,483,609,964	280,228,088,927
Provision charged during the period	1,924,527,010	825,149,783,795	827,074,310,805
Provision utilized to write-off bad debts	(337,389,485)	(669,959,321,296)	(670,296,710,781)
Balance as at 31 December 2023	34,331,616,488	402,674,072,463	437,005,688,951

Changes in provision for credit losses of loans to customers for the year ended 31 December 2022 are as follows:

	General provision VND	Specific provision VND	Total VND
Balance as at 1 January 2022	26,565,933,616	205,688,907,112	232,254,840,728
Provision charged during the period	6,465,109,690	695,869,198,062	702,334,307,752
Provision utilized to write-off bad debts	(286,564,343)	(654,074,495,210)	(654,361,059,553)
Balance as at 31 December 2022	32,744,478,963	247,483,609,964	280,228,088,927

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

8. INVESTMENT SECURITIES

	<u>31 December 2023</u> VND	<u>31 December 2022</u> VND
Available-for-sale securities		
Debt securities		
- Debt securities issued by domestic credit institutions	300,000,000,000	360,000,000,000
Held-to-maturity investment securities		
Debt securities (excluding special bonds issued by VAMC)		
- Bonds issued by other domestic financial institutions	40,200,000,000	40,200,000,000
<i>Vietnam Debt and Asset Trading Corporation ("DATC")</i>	40,200,000,000	40,200,000,000
- General allowance for held-to-maturity investment securities (excluding special bonds issued by VAMC) (i)	<u>(8,341,500,000)</u>	<u>(301,500,000)</u>
Special bonds issued by VAMC		
- Cost of special bonds issued by VAMC	142,000,000,000	222,000,000,000
- Allowance for special bonds issued by VAMC (ii)	<u>(14,767,844,065)</u>	<u>(46,320,112,101)</u>
	<u>459,090,655,935</u>	<u>575,578,387,899</u>

Portfolio of debt securities classified as assets exposed to credit risk by loan group was as follows:

	<u>31 December 2023</u> VND	<u>31 December 2022</u> VND
Current	-	40,200,000,000
Substandard	<u>40,200,000,000</u>	<u>-</u>

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

8. INVESTMENT SECURITIES (continued)

(i) Changes in general provision for investment securities during the period were as follows:

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022</i>
	VND	VND
Opening balance	301,500,000	3,856,500,000
Provision charged/(reversed) during the period	<u>8,040,000,000</u>	<u>(3,555,000,000)</u>
Closing balance	<u>8,341,500,000</u>	<u>301,500,000</u>

(ii) Changes in provision for special bonds issued by VAMC during the period were as follows:

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022</i>
	VND	VND
Opening balance	46,320,112,101	38,000,991,872
Provision charged during the period	1,600,000,000	10,029,596,002
Provision utilized to write-off bad debts	<u>(33,152,268,036)</u>	<u>(1,710,475,773)</u>
Closing balance	<u>14,767,844,065</u>	<u>46,320,112,101</u>

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

9. LONG-TERM INVESTMENTS

	31 December 2023				31 December 2022			
	% Ownership	% Voting rights	Cost VND	Provision VND	% Ownership	% Voting rights	Cost VND	Provision VND
Med-Aid Cong Minh Joint Stock Company	8.64%	8.64%	2,150,000,000	(2,150,000,000)	8.64%	8.64%	2,150,000,000	(2,150,000,000)
Thong Nhat Flat Steel Joint Stock Company	6.00%	6.00%	12,359,062,700	(9,119,308,400)	6.00%	6.00%	12,359,062,700	(8,879,326,600)
			14,509,062,700	(11,269,308,400)			14,509,062,700	(11,029,326,600)

Changes in provision for diminution in value of investment securities during the period are as follows:

	For the year ended 31 December 2023 VND	For the year ended 31 December 2022 VND
Opening balance	11,029,326,600	2,150,000,000
Provision charged during the period	239,981,800	8,879,326,600
Closing balance	11,269,308,400	11,029,326,600

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

10. FIXED ASSETS

10.1 Tangible fixed assets

Movements of tangible fixed assets in the year ended at 31 December 2023 are as follows:

	<i>Buildings and structures</i> VND	<i>Machines and equipments</i> VND	<i>Equipments and tool for management</i> VND	<i>Total</i> VND
Cost				
Opening balance	1,318,354,477	16,521,960,000	20,660,919,845	38,501,234,322
Additions	-	-	3,525,500,000	3,525,500,000
Disposals	-	-	(152,933,000)	(152,933,000)
Adjustments	-	-	-	-
Closing balance	<u>1,318,354,477</u>	<u>16,521,960,000</u>	<u>24,033,486,845</u>	<u>41,873,801,322</u>
Accumulated depreciation				
Opening balance	1,318,354,477	6,059,548,144	15,146,427,402	22,524,330,023
Depreciation during the period	-	1,845,915,000	3,556,848,596	5,402,763,596
Disposals	-	-	(139,861,334)	(139,861,334)
Adjustments	-	-	-	-
Closing balance	<u>1,318,354,477</u>	<u>7,905,463,144</u>	<u>18,563,414,664</u>	<u>27,787,232,285</u>
Net book value				
Opening balance	<u>-</u>	<u>10,462,411,856</u>	<u>5,514,492,443</u>	<u>15,976,904,299</u>
Closing balance	<u>-</u>	<u>8,616,496,856</u>	<u>5,470,072,181</u>	<u>14,086,569,037</u>

Other information of tangible fixed assets:

	<i>31 December 2023</i> VND	<i>31 December 2022</i> VND
Cost of fully-depreciated tangible fixed assets which are still in use	<u>14,575,895,757</u>	<u>10,631,170,379</u>

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

10. FIXED ASSETS (continued)

10.2 Intangible fixed assets

Movements of intangible fixed assets in the year ended at 31 December 2023 are as follows:

	<i>Computer software VND</i>	<i>Other intangible assets VND</i>	<i>Total VND</i>
Cost			
Opening balance	67,044,566,199	8,522,832,416	75,567,398,615
Additions during the period	5,300,212,500	-	5,300,212,500
Adjustments	3,668,000,000	(3,668,000,000)	-
Closing balance	<u>76,012,778,699</u>	<u>4,854,832,416</u>	<u>80,867,611,115</u>
Accumulated amortization			
Opening balance	37,064,908,233	2,799,242,524	39,864,150,757
Amortization during the period	12,271,051,191	688,407,710	12,959,458,901
Closing balance	<u>49,335,959,424</u>	<u>3,487,650,234</u>	<u>52,823,609,658</u>
Net book value			
Opening balance	<u>29,979,657,966</u>	<u>5,723,589,892</u>	<u>35,703,247,858</u>
Closing balance	<u>26,676,819,275</u>	<u>1,367,182,182</u>	<u>28,044,001,457</u>

Other information of intangible fixed assets:

	<i>31 December 2023 VND</i>	<i>31 December 2022 VND</i>
Cost of fully-depreciated intangible fixed assets which are still in use	<u>5,430,335,312</u>	<u>5,430,335,312</u>

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

11. OTHER ASSETS

	31 December 2023 VND	31 December 2022 VND
Receivables	78,955,570,237	48,933,488,512
Interest and fee receivables	73,861,966,734	131,703,391,191
Other assets	417,806,123,818	523,398,253,168
Provisions for other on-balance sheet assets	(1,043,584,269)	(3,030,701,385)
	569,580,076,520	701,004,431,486

11.1 Receivables

	31 December 2023 VND	31 December 2022 VND
Internal receivables	393,604,102	346,819,151
External receivables	78,561,966,135	48,586,669,361
<i>In which:</i>		
- Advances to suppliers on finishing fees for ship CFC 05 (i)	14,219,739,429	14,219,739,429
- Receivables from payment channels of counterparties	26,106,228,648	8,975,879,724
- Deposits for head office rental	10,709,647,062	8,061,041,747
- Receivables from VAMC	-	4,100,000,000
- Corporate income tax overpaid	3,460,061,862	5,128,577,157
- Input VAT	-	1,081,118,312
- Amounts waiting for payment from the State Budget for interest rate support loans	1,064,584,890	1,064,584,890
- Deposits for Insurance agency agreements	15,000,000,000	-
- Other receivables	8,001,704,244	5,955,728,102
	78,955,570,237	48,933,488,512

- (i) This represents the advance paid by the Company for finishing Ship CFC 05 to the lead contractor, An Dong Joint Stock Company ("An Dong") under Economic Contract No. 01/2015/CFC-AD dated 25 September 2015 and related contracts on supply of equipment and services to other sub-contractors. In 2020 and 2021, the Company and An Dong met to discuss and work on the completion progress of the ship. At the same time, the Company signed a contract with Huong Anh Shipping Trading Company Limited ("Huong Anh") on 30 December 2021, under which, Huong Anh would be in charge of consulting and supervising the completion of the CFC 05 ship resumed by An Dong, ensuring to put into operation and exploitation within 18 months from the date of signing the contract between the Company and Huong Anh. In the year of 2023, the parties were performing technical registration procedures and completing documents and certificates to put CFC 05 ship into operation.

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

11. OTHER ASSETS (continued)

11.2 Interests and fees receivable

	31 December 2023 VND	31 December 2022 VND
Interest receivables from deposits in VND	460,000,001	161,917,808
Interest receivables from investment securities	9,954,794,521	33,925,119,981
Interest receivables from loans in VND	50,886,895,843	77,895,217,569
Fee receivables	12,560,276,369	19,721,135,833
	73,861,966,734	131,703,391,191

11.3 Other assets

	31 December 2023 VND	31 December 2022 VND
Foreclosed assets transferred to the CIs for resolution (i)	113,534,827,301	125,848,847,496
<i>In which:</i>		
- <i>Foreclosed valued</i>	209,086,219,628	209,086,219,628
- <i>Finishing expenses</i>	5,694,953,453	5,694,953,453
- <i>Depreciation charged</i>	(97,405,880,796)	(88,932,325,585)
- <i>Liquidation of foreclosed assets</i>	(3,840,464,984)	-
Allocated expenses	304,271,296,517	397,549,405,672
<i>In which:</i>		
- <i>Tools and equipment (ii)</i>	2,899,036,597	6,827,109,468
- <i>Office repair (iii)</i>	5,785,675,976	6,951,810,454
- <i>Consumer lending activity (iv)</i>	276,610,809,585	360,989,553,934
- <i>Prepaid expenses - management</i>	18,352,230,019	22,634,943,948
- <i>Other prepaid expenses</i>	623,544,340	145,987,868
	417,806,123,818	523,398,253,168

- (i) These foreclosed assets represent the ships. For the finished ones, the Company operated these ships through business cooperation contracts. Income and expenses, including depreciation charges of ships are shared at a ratio between the Company and other parties that operate the ships and are recognized in other income and other operating expenses, respectively. For the period ended 31 December 2023 the Company recorded a depreciation expense for these ships at VND 8,473,555,211 (for the year ended 31 December 2022: VND 9,967,069,380).

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

11. OTHER ASSETS (continued)

11.3 Other assets (continued)

Details of foreclosed assets as at 31 December 2023 were as follows:

Asset Name	Mortgaging party	Value determined by parties upon foreclosure VND	Value added tax VND	Foreclosure value VND	Finishing expenses VND	Depreciation charge VND	Liquidation of foreclosure VND	Carrying value VND
Ship CFC 01	Huong Thinh Land-Route and Ship Transport JSC	51,682,398,851	5,168,239,885	56,850,638,736	3,424,131,515	(37,504,301,520)	-	22,770,468,731
Ship CFC 02	Manh Ha Sea Transport Co., Ltd.	45,367,988,183	4,536,798,818	49,904,787,001	921,833,300	(35,578,634,238)	-	15,247,986,063
Ship CFC 03	Huong Thuy Joint Stock Company	25,615,679,855	2,527,730,167	28,143,410,022	20,000,000	(24,322,945,038)	(3,840,464,984)	-
Ship CFC 04 (*)	Huong Thuy Joint Stock Company	36,214,198,928	-	36,214,198,928	936,472,729	-	-	37,150,671,657
Ship CFC 05 (*)	Tien Thanh Co., Ltd.	34,521,077,219	3,452,107,722	37,973,184,941	392,515,909	-	-	38,365,700,850
		193,401,343,036	15,684,876,592	209,086,219,628	5,694,953,453	(97,405,880,796)	(3,840,464,984)	113,534,827,301

Details of foreclosed assets as at 31 December 2022 were as follows:

Asset Name	Mortgaging party	Value determined by parties upon foreclosure VND	Value added tax VND	Foreclosure value VND	Finishing expenses VND	Depreciation charge VND	Liquidation of foreclosure VND	Carrying value VND
Ship CFC 01	Huong Thinh Land-Route and Ship Transport JSC	51,682,398,851	5,168,239,885	56,850,638,736	3,424,131,515	(33,485,983,500)	-	26,788,766,751
Ship CFC 02	Manh Ha Sea Transport Co., Ltd.	45,367,988,183	4,536,798,818	49,904,787,001	921,833,300	(32,190,192,882)	-	18,636,427,419
Ship CFC 03	Huong Thuy Joint Stock Company	25,615,679,855	2,527,730,167	28,143,410,022	20,000,000	(23,256,149,203)	-	4,907,260,819
Ship CFC 04 (*)	Huong Thuy Joint Stock Company	36,214,198,928	-	36,214,198,928	936,472,729	-	-	37,150,671,657
Ship CFC 05 (*)	Tien Thanh Co., Ltd.	34,521,077,219	3,452,107,722	37,973,184,941	392,515,909	-	-	38,365,700,850
		193,401,343,036	15,684,876,592	209,086,219,628	5,694,953,453	(88,932,325,585)	-	125,848,847,496

(*) Ships CFC 04 and CFC 05 are in the finishing process and have not been put into operation.

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

11. OTHER ASSETS (continued)

11.3 Other assets (continued)

(ii) Changes in prepaid expenses which are tools and equipment during the period were as follows:

	<i>For the year ended</i> <i>31 December 2023</i>	<i>For the year ended</i> <i>31 December 2022</i>
	VND	VND
Opening balance	6,827,109,468	8,810,148,594
Incurred during the period	3,022,635,642	3,653,997,949
Amortized in expenses during the period	<u>(6,950,708,513)</u>	<u>(5,637,037,075)</u>
Closing balance	<u>2,899,036,597</u>	<u>6,827,109,468</u>

(iii) Changes in prepaid expenses which are repair and renovation expenses for leased office during the period were as follows:

	<i>For the year ended</i> <i>31 December 2023</i>	<i>For the year ended</i> <i>31 December 2022</i>
	VND	VND
Opening balance	6,951,810,454	8,302,813,912
Incurred during the period	5,180,684,522	3,855,065,001
Amortized in expenses during the period	<u>(6,346,819,000)</u>	<u>(5,206,068,459)</u>
Closing balance	<u>5,785,675,976</u>	<u>6,951,810,454</u>

(iv) Changes in expenses awaiting amortization which are consumer lending expenses during the period were as follows:

	<i>For the year ended</i> <i>31 December 2023</i>	<i>For the year ended</i> <i>31 December 2022</i>
	VND	VND
Opening balance	360,989,553,934	289,456,680,377
Incurred during the period	148,009,641,818	289,961,216,569
Amortized in expenses during the period	<u>(232,388,386,167)</u>	<u>(218,428,343,012)</u>
Closing balance	<u>276,610,809,585</u>	<u>360,989,553,934</u>

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

11. OTHER ASSETS (continued)

11.4 Provision for other on-balance sheet assets

	<i>31 December 2023</i> <u>VND</u>	<i>31 December 2022</i> <u>VND</u>
Provision for fees receivable from customers	-	2,385,403,050
Provision for receivables on company guarantee fees	137,941,654	137,941,654
Provision for fee receivables from Med-Aid Cong Minh Joint Stock Company	150,000,000	150,000,000
Provision for receivables on fund arrangement expenses - Thong Nhat Flat Steel Joint Stock Company	-	16,118,465
Other provisions	755,642,615	341,238,216
	<u>1,043,584,269</u>	<u>3,030,701,385</u>

Changes in provision for other on-balance sheet assets during the period are as follows:

	<i>For the year ended</i> <i>31 December 2023</i> <u>VND</u>	<i>For the year ended</i> <i>31 December 2022</i> <u>VND</u>
Opening balance	3,030,701,385	2,156,937,828
Provision (reversed)/charged during the period	(1,987,117,116)	888,981,830
Allowance utilized during the year	-	(15,218,273)
Closing balance	<u>1,043,584,269</u>	<u>3,030,701,385</u>

12. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS

12.1 Deposits from other credit institutions

	<i>31 December 2023</i> <u>VND</u>	<i>31 December 2022</i> <u>VND</u>
Deposits from other credit institutions		
- In VND	1,600,000,000,000	739,000,000,000
	<u>1,600,000,000,000</u>	<u>739,000,000,000</u>

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

12. DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS (continued)

12.2 Borrowings from other credit institutions

	<i>31 December 2023</i> <i>VND</i>	<i>31 December 2022</i> <i>VND</i>
- In VND	870,000,000,000	535,000,000,000
	870,000,000,000	535,000,000,000

Interest rates of borrowing from other credit institutions at the end of the period are as follows:

	<i>31 December 2023</i> <i>% per annum</i>	<i>31 December 2022</i> <i>% per annum</i>
Deposits in VND	0.60% - 6.90%	4.40% - 9.00%
Borrowings in VND	6.00% - 12.40%	5.60% - 9.50%

13. CUSTOMER DEPOSITS

Deposits according to type of deposits are as follows:

	<i>31 December 2023</i> <i>VND</i>	<i>31 December 2022</i> <i>VND</i>
Term deposits		
- In VND	472,087,290,541	421,117,939,248
	472,087,290,541	421,117,939,248

Deposits according to type of customers and industries are as follow:

	<i>31 December 2023</i> <i>VND</i>	<i>31 December 2022</i> <i>VND</i>
Deposits from VAMC	88,032,178,855	94,879,887,899
Deposits of other economic institutions in VND	383,755,111,686	325,938,051,349
Marginal deposits in VND	300,000,000	300,000,000
	472,087,290,541	421,117,939,248

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

14. VALUABLE PAPERS ISSUED

	<i>31 December 2023</i> <i>VND</i>	<i>31 December 2022</i> <i>VND</i>
Certificates of deposit in VND	2,814,500,000,000	3,693,200,000,000
	<u>2,814,500,000,000</u>	<u>3,693,200,000,000</u>

The annual interest rates of certificates of deposit at the end of the period are as follows:

	<i>31 December 2023</i> <i>% per annum</i>	<i>31 December 2022</i> <i>% per annum</i>
Certificates of deposit in VND	4.75% - 14.00%	6.00% - 16.00%

15. OTHER LIABILITIES

15.1 *Accrued interest and fee payables*

	<i>31 December 2023</i> <i>VND</i>	<i>31 December 2022</i> <i>VND</i>
Interest payables on term deposits	5,477,575,289	3,768,851,589
Interest payables on valuable papers issued in VND	101,712,627,003	184,711,819,471
Interest payables on borrowings from other credit institutions	15,292,947,935	12,642,424,655
	<u>122,483,150,227</u>	<u>201,123,095,715</u>

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

15. OTHER LIABILITIES (continued)

15.2 Other payables and liabilities

	31 December 2023 VND	31 December 2022 VND
Internal payables	10,648,085,765	26,657,744,313
Payables to employees	2,742,645,929	18,204,654,974
Fund for reward, welfare, science and technology development	7,905,233,258	8,452,882,761
Other internal payables	206,578	206,578
External payables	87,717,270,959	60,846,758,126
Receipt of contributed capital for business cooperation (i)	12,703,957,485	12,703,957,485
Payables to counterparties related to consumer loans (ii)	23,415,098,811	5,742,712,424
Payables to counterparties related to buy now pay later activities (iii)	14,834,072,749	3,797,509,997
Payables to Hi Gio Cloud	6,935,762,179	5,704,295,120
Tax payable to the State Budget	2,356,433,276	2,015,504,762
Payables to Vietnam Credit Information Joint	2,133,623,158	3,247,998,809
Payables to suppliers on finishing fees for Ship CFC 05	2,726,747,936	2,726,747,936
Payables related to IT infrastructure service contracts	1,746,048,363	5,851,302,932
Dividends payable from 2008 to 2014	1,815,683,000	1,815,683,000
Payables to Vien Dong Assurance Joint Stock Company	574,666,173	261,848,073
Receipt of deposits for bareboat charter - Ships CFC 01, 02, 03	675,000,000	975,000,000
Payables on social insurance, health insurance, unemployment insurance and trade union fees	309,082,521	440,831,104
Revenue from guarantee fees awaiting amortisation	12,369,229	24,869,232
Other payables	17,478,726,079	15,538,497,252
	98,365,356,724	87,504,502,439

- (i) This is the remaining investment and business cooperation capital of partners, which are Manh Ha Shipping Co., Ltd., Huong Thinh Waterway Transport Joint Stock Company and Tien Thanh Co., Ltd. (details of cooperation assets). This business described in *Note 11.3* is recognized under business cooperation contracts between the Company and these partners.
- (ii) This is a payable to National Payment Corporation of Vietnam (NAPAS) related to payables arising from consumer lending activities in the form of domestic cards. Payables arise and are reconciled daily between the Company and NAPAS.
- (iii) This is a payable to counterparties related to consumer lending activities in the form of buy now pay later and is daily reconciled between the company and the payment channel.

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

16. OWNERS' EQUITY AND RESERVES

	Charter capital VND	Investment and Development fund VND	Financial reserve VND	Capital supplementary reserve VND	Undistributed profits VND	Total VND
Balance at 1 January 2022	687,872,140,000	1,680,744,633	34,355,962,981	2,432,478,171	58,091,875,935	784,433,201,720
Net profit during the year	-	-	-	-	63,373,867,767	63,373,867,767
Increase in charter capital from the ESOP	13,500,000,000	-	-	-	-	13,500,000,000
Appropriation to equity funds for 2021 in accordance to Resolution of General Meeting of Shareholders 2022	-	-	3,689,632,879	1,844,816,439	(5,534,449,318)	-
Appropriation to bonus and welfare fund for employees and bonus fund for CI management personnel, Management, Supervisors in 2021	-	-	-	-	(3,000,000,000)	(3,000,000,000)
Balance at 31 December 2022	701,372,140,000	1,680,744,633	38,045,595,860	4,277,294,610	112,931,294,384	858,307,069,487
Net loss during the period	-	-	-	-	16,629,543,070	16,629,543,070
Appropriation to equity funds for 2022 in accordance to Resolution of General Meeting of Shareholders 2023	-	-	6,337,386,777	3,168,693,388	(9,506,080,165)	-
Appropriation to bonus and welfare fund for employees and bonus fund for CI management personnel, Management, Supervisors in 2022	-	-	-	-	(3,500,000,000)	(3,500,000,000)
Transferring the Science and Technology Development Fund to undistributed profits	-	-	-	-	800,000,000	800,000,000
Balance at 31 December 2023	701,372,140,000	1,680,744,633	44,382,982,637	7,445,987,998	117,354,757,289	872,236,612,557

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

16. OWNERS' EQUITY AND RESERVES (continued)

Details of charter capital of the Company were as follows:

	31 December 2023		31 December 2022	
	Number of Shares	VND	Number of Shares	VND
Charter capital	70,137,214	701,372,140,000	70,137,214	701,372,140,000

Details of shares of the Company were as follows:

	31 December 2023	31 December 2022
	VND	VND
Number of registered shares	70,137,214	70,137,214
Number of shares issued	70,137,214	70,137,214
- Ordinary shares	70,137,214	70,137,214
Number of outstanding shares	70,137,214	70,137,214
- Ordinary shares	70,137,214	70,137,214
Face value per share (VND)	10,000	10,000

Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

17. INTEREST AND SIMILAR INCOME

	For the year ended	For the year ended
	31 December 2023	31 December 2022
	VND	VND
Interest income from deposits	4,443,748,036	5,953,347,271
Interest income from loans	1,241,633,738,070	1,503,395,283,835
Interest income from investment securities	35,094,630,138	40,692,345,202
Income from guarantee and other income	16,346,381	356,363,953
Fees from credit card issuance	54,768,479,207	135,565,065,444
	1,335,956,941,832	1,685,962,405,705

18. INTEREST EXPENSE AND SIMILAR EXPENSE

	For the year ended	For the year ended
	31 December 2023	31 December 2022
	VND	VND
Interest expenses	82,209,087,654	26,692,426,442
Loans interest expenses	47,887,561,648	14,694,205,478
Interest expenses for valuable papers issued	289,996,508,741	329,538,536,872
Other credit activities expense	17,510,000	2,200,000
	420,110,668,043	370,927,368,792

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

19. NET GAIN/(LOSS) FROM OPERATING ACTIVITIES

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022</i>
	VND	VND
Operating income	80,144,652,101	44,041,396,293
Income from insurance agency services	6,317,325,730	42,380,812,813
Other income	73,827,326,371	1,660,583,480
Operating expense	(32,699,915,289)	(59,407,894,484)
Payment service expenses	(8,475,487,569)	(9,153,421,202)
Consulting service expenses	(3,726,873,600)	(5,195,457,045)
Commission expenses	(4,153,285,071)	(16,914,040,432)
Other expenses	(16,344,269,049)	(28,144,975,805)
	47,444,736,812	(15,366,498,191)

20. NET GAIN FROM TRADING OF FOREIGN CURRENCIES

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022</i>
	VND	VND
Income from trading of foreign currencies	48,596,453	355,094,562
Income from spot trading of foreign currencies	48,596,453	355,094,562
Expenses for trading of foreign currencies	(46,029,848)	(2,489,555,955)
Expenses for spot trading of foreign currencies	(46,029,848)	(2,489,555,955)
	2,566,605	(2,134,461,393)

21. NET GAIN FROM TRADING SECURITIES

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022</i>
	VND	VND
Income from trading securities	154,760,612	2,558,805,340
Expense for trading securities	-	(509,575,778)
Provision reversed for trading securities	-	3,422,544,050
Net gain from securities trading	154,760,612	5,471,773,612

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

22. NET LOSS FROM INVESTMENT SECURITIES

	<i>For the year ended</i> 31 December 2023	<i>For the year ended</i> 31 December 2022
	VND	VND
Income from investment securities	342	-
Expense for investment securities	-	(6,006,551,803)
Provision (charged)/reversed for investment securities	(8,040,000,000)	3,555,000,000
Net loss from investment securities	(8,039,999,658)	(2,451,551,803)

23. NET GAIN FROM OTHER OPERATING ACTIVITIES

	<i>For the year ended</i> 31 December 2023	<i>For the year ended</i> 31 December 2022
	VND	VND
Income from other activities	536,966,966,215	156,440,629,586
Income from debt trading	399,996,514,363	70,627,378,126
Income from bad debts written-off	54,825,543,714	71,636,834,491
Income from disposal of assets	11,883,333	320,000,000
Income from cooperation activities in debt recovery of ships	5,835,093,938	3,006,784,148
Other income	76,297,930,867	10,849,632,821
Expenses for other activities	(63,598,225,200)	(37,112,040,204)
Expenses for cooperation in ship debt collection	(9,633,299,216)	(11,941,592,445)
<i>In which:</i>		
- Depreciation expenses	(8,473,555,211)	(9,967,069,380)
Other expenses	(53,964,925,984)	(25,170,447,759)
	473,368,741,015	119,328,589,382

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

24. OPERATING EXPENSES

	<i>For the year ended 31 December 2023 VND</i>	<i>For the year ended 31 December 2022 VND</i>
Expenses on taxes, duties and fees	14,565,514,093	17,568,680,254
Expenses for employees	393,810,967,486	390,236,745,600
<i>In which:</i>		
- <i>Salary and allowances</i>	346,906,439,303	344,495,930,663
- <i>Expenses related to salary</i>	42,084,425,247	37,854,241,583
- <i>Other allowances</i>	4,820,102,936	7,886,573,354
Fixed asset expenses	18,362,222,497	16,450,343,018
<i>In which: Depreciation and ammortization</i>	18,362,222,497	16,450,343,018
Administrative expenses	151,305,850,990	207,698,571,739
- <i>Maintenance and repair (*)</i>	471,162,883	601,023,511
- <i>Purchase of labor tools</i>	34,941,647,195	27,503,804,933
- <i>Property insurance</i>	163,906,212	159,676,743
- <i>Renting expenses (**)</i>	36,047,296,897	32,827,260,084
- <i>Office stationeries, gasoline</i>	863,699,350	1,207,290,314
- <i>Postage and telephone costs</i>	38,656,780,772	52,068,113,064
- <i>Expenditure on conference, reception and festivities</i>	7,313,318,561	6,451,334,055
- <i>Perdiem</i>	6,059,147,946	14,083,356,333
- <i>Expense for document publishing, propaganda, advertising, marketing and promotion</i>	13,489,969,314	28,887,732,100
- <i>Training and coaching expenses</i>	494,022,243	1,882,600,074
- <i>Expenses for science and technology research and application, innovations</i>	-	6,500,234,659
- <i>Provision charged for long-term investments</i>	239,981,800	8,879,326,600
- <i>Provsion (reversed)/charged for other on-balance sheet assets</i>	(1,930,702,895)	888,981,830
- <i>Other operating expenses</i>	14,495,620,712	25,757,837,439
	<u>578,044,555,066</u>	<u>631,954,340,611</u>

(*) These include expenses for repair and renovation of the Head Office, branches and networks of transaction points to serve the consumer finance activity and system maintenance expenses not qualified as fixed assets.

(**) These include office rental for the Head Office, branches and networks of transaction points to serve the consumer finance activities.

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

25. ALLOWANCE AND PROVISION EXPENSES

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022</i>
	VND	VND
Provision of general allowance for loans to customers	1,924,527,010	6,465,109,690
Provision of specific allowance for loans to customers	825,149,783,795	695,869,198,062
Provision of allowance for special bonds issued by VAMC	1,600,000,000	10,029,596,002
	<u>828,674,310,805</u>	<u>712,363,903,754</u>

26. CORPORATE INCOME TAX (“CIT”)

The Company has the obligation to pay corporate income tax (“CIT”) at the rate of 20% of taxable profits according to Circular No. 78/2014/TT-BTC which became effective from 2 August 2014.

The Company’s tax reports are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amount reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

Corporate income tax expenses in the year as follows:

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022</i>
	VND	VND
Current income tax expense	5,428,670,234	12,190,776,388
Deferred tax income	-	-
	<u>5,428,670,234</u>	<u>12,190,776,388</u>

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

26. CORPORATE INCOME TAX (“CIT”) (continued)

	<i>For the year ended 31 December 2023 VND</i>	<i>For the year ended 31 December 2022 VND</i>
Profit before tax	22,058,213,304	75,564,644,155
<i>Adjustments:</i>		
- Non-deductible expenses	2,927,051,912	1,562,890,655
- Non-taxable income	-	-
Estimated taxable income	24,985,265,216	77,127,534,810
Tax rate	20%	20%
CIT expenses	4,997,053,043	15,425,506,962
Adjustment of prior periods CIT expenses	431,617,191	-
Over provision in prior years	-	(3,234,730,574)
CIT incurred during the period	5,428,670,234	12,190,776,388
CIT payable at the beginning of the period	(5,128,577,157)	(3,899,315,174)
CIT paid during the period	(3,760,154,939)	(13,420,038,371)
CIT payable at the end of the period	(3,460,061,862)	(5,128,577,157)

Current corporate income tax payables are determined based on taxable income of the period. Taxable income differs from the one reported in the income statement since taxable income excludes incomes which are taxable or expenses which are deducted in prior periods due to the differences between the Company’s accounting policies and the tax regulations, and also excludes non-taxable income and non-deductible expenses. The current corporate income tax payable of the Company is calculated based on the statutory tax rates applicable at the end of the period.

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

27. BASIC EARNINGS PER SHARES

The calculation of basic earnings per share for the year ended 31 December 2023 is based on a net profit attributable to ordinary shareholders of VND 13,129,543,070 (for the year ended 31 December 2022: VND 60,373,867,767) and the weighted average number of ordinary shares is 70,137,214 shares (for the year ended 31 December 2022: 68,846,392 shares), calculated as follows:

27.1 Net profit attributable to ordinary shareholders

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022</i>
	VND	VND
Net profit during the period	16,629,543,070	63,373,867,767
Appropriation to bonus and welfare fund from prior year	<u>(3,500,000,000)</u>	<u>(3,000,000,000)</u>
	<u>13,129,543,070</u>	<u>60,373,867,767</u>

27.2 Weighted average number of ordinary shares

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022</i>
	VND	VND
Ordinary shares issued in the previous period carried over and the weighted average number of ordinary shares in the period	70,137,214	68,787,214
Effect of share issued during the year	<u>-</u>	<u>59,178</u>
	<u>70,137,214</u>	<u>68,846,392</u>

27.3 Basic earnings per share

	<i>For the year ended 31 December 2023</i>	<i>For the year ended 31 December 2022</i>
	VND	VND
Basic earnings per share	<u>187</u>	<u>877</u>
	<u>187</u>	<u>877</u>

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

28. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise of the following amounts on the statement of financial position:

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>VND</i>	<i>VND</i>
Balances with the SBV	78,445,656	300,818,393
Demand deposits	241,243,634,689	564,998,721,471
Placements with other credit institutions with original terms of three months or less	1,350,000,000,000	500,000,000,000
TOTAL	<u>1,591,322,080,345</u>	<u>1,065,299,539,864</u>

29. TAXES AND OTHER OBLIGATIONS TO THE STATE BUDGET

	<i>Opening balance</i>	<i>Movement in the period</i>		<i>Closing balance</i>
		<i>Payables</i>	<i>Paid</i>	
	<i>VND</i>	<i>VND</i>	<i>VND</i>	<i>VND</i>
VAT	(1,081,118,312)	5,081,901,401	(3,271,294,886)	729,488,203
CIT	(5,128,577,157)	5,428,670,234	(3,760,154,939)	(3,460,061,862)
Other tax	2,015,504,762	21,183,107,318	(21,571,667,007)	1,626,945,073
TOTAL	<u>(4,194,190,707)</u>	<u>31,693,678,953</u>	<u>(28,603,116,832)</u>	<u>(1,103,628,586)</u>

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

30. OTHER OFF-BALANCE-SHEET ITEMS

30.1 *Uncollected interests and fee receivables*

	<i>31 December 2023</i> VND	<i>31 December 2022</i> VND
Uncollected loan interest	473,366,423,733	250,490,810,688
	473,366,423,733	250,490,810,688

30.2 *Bad debts written off*

	<i>31 December 2023</i> VND	<i>31 December 2022</i> VND
Principal of bad debts written off under monitoring	213,423,272,427	588,363,967,510
Interest of bad debts written off under monitoring	234,923,962,501	498,780,681,958
	448,347,234,928	1,087,144,649,468

30.3 *Other assets and documents*

	<i>31 December 2023</i> VND	<i>31 December 2022</i> VND
Assets under operating lease	17,539,876,983	16,272,000,000
Other valuable documents being kept	270,351,720,930	630,351,720,930
Leased assets (*)	(*)	(*)
	287,891,597,913	646,623,720,930

(*) The Company was not able to determine the value of the leased assets.

30.4 *Irrevocable loan commitment*

	<i>31 December 2023</i> VND	<i>31 December 2022</i> VND
Irrevocable loan commitment	3,935,948,164,150	2,935,956,970,704
	3,935,948,164,150	2,935,956,970,704

30.5 *Other guarantees*

	<i>31 December 2023</i> VND	<i>31 December 2022</i> VND
Other guarantees	-	43,419,000,000
	-	43,419,000,000

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

31. OPERATING LEASE COMMITMENTS

The future rents payable under the terms of the leases in force at 31 December 2023 and 31 December 2022 are as follows:

	<i>31 December 2023</i> VND	<i>31 December 2022</i> VND
Within 1 year	15,758,223,684	26,200,096,466
From 2-5 years	54,029,259,402	23,014,313,888
	69,787,483,086	49,214,410,354

32. RELATED PARTY TRANSACTIONS

In normal business operations, the Company has transactions with related parties. Parties are considered to be related if one party has the ability to control or has significant influence on the other party in making operating and financial decisions. A party is related to the Company if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
 - ▶ Controls, or is controlled by, or is under common control with, the Company (including parents and subsidiaries);
 - ▶ has a capital contribution in the Company that gives it significant influence over the Company; and
 - ▶ Has joint control over the Company;
- (b) The party is a joint venture in which the Company is a venture or an associate (owns more than 11% charter capital or voting shares, but is not a subsidiary);
- (c) The party is a member of the key management personnel of the Company or the Parent Company;
- (d) The party is a close member of the family of any individual referred to in (a) or (c); or
- (e) The party is a company that is controlled, jointly controlled or significantly influenced, directly or indirectly, or has significant voting power by any individual referred to in (c) or (d).

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

32. RELATED PARTY TRANSACTIONS (continued)

Significant balances with related parties in the period includes:

<i>Related parties</i>	<i>Transactions</i>	<i>Assets/(Liabilities)</i>	
		<i>31 December 2023</i>	<i>31 December 2022</i>
		<i>VND</i>	<i>VND</i>
Major shareholders	Term Deposit	(126,830,282,462)	-
	Interest payable on term deposit	(2,142,562,429)	-
Share capital contributing entities	Investment	14,509,062,700	14,509,062,700
	Receivables on fund arrangement fees	-	16,118,465
	Receivables on consulting and guarantees fees	150,000,000	-
Subsidiaries of major shareholders	Valuable papers issued	-	(40,000,000,000)
	Interest payables for valuable papers issued	-	(2,682,534,246)
	Receivables from ship business	152,931,001	152,931,001

Significant balances with related parties in the period includes:

<i>Related parties</i>	<i>Transactions</i>	<i>Revenue/(expense)</i>	
		<i>31 December 2023</i>	<i>31 December 2022</i>
		<i>VND</i>	<i>VND</i>
Board of Directors	Salaries, bonus and remuneration		
	Mr. Nguyen Duc Phuong	(2,165,581,081)	(2,026,181,818)
	Mr. Nguyen Duc Huynh	(200,000,000)	(120,000,000)
	Mr. Nguyen Chi Hieu	(113,500,000)	(120,000,000)
	Mr. Pham Hai Au	(1,469,384,170)	(1,041,159,091)
	Mr. Nguyen Quang Tuan	-	(103,809,524)
	Mr. Nguyen Lan Trung Anh	(917,000,000)	(120,000,000)
	Mr. Luu Cong Toai	(70,000,000)	-
Board of Management	Salary of Chief Executive Officer	(2,949,000,000)	(4,443,911,429)
	Salary of other key management personnel	(12,436,297,657)	(9,203,316,229)
Supervisory Board	Remuneration	(1,634,200,772)	(1,132,363,636)
Major shareholders	Interest expenses on deposits and loans	(12,698,744,468)	(1,507,424,438)
Subsidiaries of major shareholders	Interest expenses from valuable paper issued	(327,739,727)	(756,164,383)
	Interest expenses on deposits and loans	(144,951,546)	(5,553,425)

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

33. GEOGRAPHIC CONCENTRATION OF ASSETS, LIABILITIES AND OFF-STATEMENT OF FINANCIAL POSITION ITEMS

The geographic concentration of assets, liabilities and off-statement of financial position items of the Company's counterparties as at 31 December 2023 is as follows:

	Total loan balance	Deposits and loans to the SBV and other credit institutions	Deposits and borrowings from other credit institutions and customers	Trading and investing in securities	Issuing valuable papers	Off-balance sheet items	Unit: VND
Domestic	4,621,314,961,406	1,591,322,080,345	2,942,087,290,541	482,200,000,000	2,814,500,000,000	5,145,553,420,724	
Foreign	-	-	-	-	-	-	
	4,621,314,961,406	1,591,322,080,345	2,942,087,290,541	482,200,000,000	2,814,500,000,000	5,145,553,420,724	

The geographic concentration of assets, liabilities and off-statement of financial position items of the Company's counterparties as at 31 December 2022 is as follows:

	Total loan balance	Deposits and loans to the SBV and other credit institutions	Deposits and borrowings from other credit institutions and customers	Trading and investing in securities	Issuing valuable papers	Off-balance sheet items	Unit: VND
Domestic	4,418,438,448,310	1,065,299,539,864	1,695,117,939,248	622,200,000,000	3,693,200,000,000	4,963,635,151,790	
Foreign	-	-	-	-	-	-	
	4,418,438,448,310	1,065,299,539,864	1,695,117,939,248	622,200,000,000	3,693,200,000,000	4,963,635,151,790	

NOTES TO INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2023 and for the six-month period then ended

34. FINANCIAL RISK MANAGEMENT POLICIES

Risk is inherent in the Company's activities and is managed through a process of ongoing identification, measurement, and monitoring, subject to risk limits. This process of risk management is critical to the Company's continuing profitability and individual employees of the Company are accountable for the risk exposures relating to their responsibilities. The Company is exposed to credit risk, liquidity risk and market risk (including business risks and non-business risks). The Company is also subject to operational risk. The independent risk control process does not include business risks such as changes in the environment, technology, and industry. The Company's policy is to monitor those business risks through the Company's strategic planning process.

35. CREDIT RISK

Credit risk is the possibility of losses in the operation of credit institutions when their clients do not or cannot fulfil their obligations as committed.

The Company has established a credit quality review process to provide early identification of changes in financial position, repayment capacity of counterparties based on qualitative and quantitative factors. Counterparty limits are established using a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision.

The maximum risk rating is exclusive of collaterals or credit risk mitigation measures.

The table below presents the worst case with the maximum level of loss of the Company, exclusive of collaterals held or credit risk mitigation measures.

The assets that are undue and unimpaired include Group 1 debts in accordance with Circular 11; securities receivables and other assets that are undue and not required make provision. The Company assesses that it is able to fully and promptly recover these financial assets in the future.

The assets that are overdue but not required to make provision are because the Company is holding enough collateral to cover credit losses in accordance with current regulations of the State Bank of Vietnam.

The Company is currently holding collaterals in the form of real estate, movable assets, valuable papers and others for the above financial assets. The Company has not been able to determine the fair value of such assets due to the lack of specific guidance and necessary market information.

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

35. CREDIT RISK (continued)

The maximum risk exposure for each group of assets which is equal to the carrying value (excluding allowance) of that group of assets in the statement of financial position as at 31 December 2023 is presented as follows:

	<i>Undue and unimpaired</i>	<i>Overdue but not impaired</i>	<i>Undue but impaired</i>	<i>Overdue and impaired</i>	<i>Total</i>
Balances with SBV	78,445,656	-	-	-	78,445,656
Deposits and loans to other credit institutions	1,591,243,634,689	-	-	-	1,591,243,634,689
Loans to customers	3,393,352,913,416	672,255,000	-	1,227,289,792,990	4,621,314,961,406
Available-for-sale investment securities	300,000,000,000	-	-	-	300,000,000,000
Held-to-maturity investment securities	142,000,000,000	-	-	40,200,000,000	182,200,000,000
Other financial assets	131,827,489,209	-	-	1,789,588,666	133,617,077,875
Total	5,558,502,482,970	672,255,000	-	1,269,279,381,656	6,828,454,119,626

Unit: VND

The Company's financial assets that are undue and unimpaired include loans and debt purchases (group 1); receivables and other financial assets that are undue.



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

35. CREDIT RISK (continued)

Details of collateral assets held by the Company as collateral at the end of the accounting period are as follows:

	<i>31 December 2023</i>	<i>31 December 2022</i>
	<i>VND</i>	<i>VND</i>
Real estates	44,549,202,005	52,652,300,000
Machines and equipment	110,832,618,467	14,870,195,500
Means of transportation	26,747,693,621	40,590,676,250
Corporate shares	294,726,900,000	9,900,000,000
Valuable papers	-	40,000,000,000
Others	5,682,846,000	5,682,846,000
	<u>482,539,260,093</u>	<u>163,696,017,750</u>

36. MARKET RISK

36.1 Interest rate risk

The real interest rate adjustment term is the remaining period from the financial statement date to the most recent interest adjustment period of the assets and capital items.

The following assumptions and conditions have been adopted in the analysis of adjustment period of interest rate of the assets and liabilities of the Company:

- ▶ Cash and other assets (including fixed assets and other assets) are classified as non-interest bearing items;
- ▶ Balances with the State Bank of Vietnam are considered as current and accordingly, the adjustment period is considered within 1 month;
- ▶ The adjustment period of interest rate of deposits at other credit institutions; loans to customers are determined as follows:
 - Items which bear fixed interest rate for the entire contractual term: The adjustment period of interest rate is determined based on the remaining contractual term calculated from the financial statement date;
 - Items which bear floating interest rate: The adjustment period of interest rate is determined from the financial statement date to the next interest adjustment date.
- ▶ Interest rate adjustment of other liabilities are classified as from one to three months while other liabilities can have different interest rate adjustment term.

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

36. MARKET RISK (continued)

36.1 Interest rate risk (continued)

The below table shows an analysis of the interest adjustment period of assets and liabilities of the Company as at 31 December 2023:

	Overdue	Non interest bearing	Interest re-pricing period					Total		
			Within 1 month	From 1 - 3 months	From 3 - 6 months	From 6 - 12 months	From 1 - 5 years		Over 5 years	
Assets										
Balance with the SBV	-	-	78,445,656	-	-	-	-	-	78,445,656	
Placements with other CIs – gross	-	-	1,591,243,634,689	-	-	-	-	-	1,591,243,634,689	
Loans to customers - gross	1,227,962,047,990	-	950,000,000,000	465,011,808,204	4,841,595,050	-	1,959,173,578,905	14,325,931,257	4,621,314,961,406	
Investment securities - gross	40,200,000,000	-	-	-	-	13,000,000,000	129,000,000,000	300,000,000,000	482,200,000,000	
Long-term investment - gross	-	14,509,062,700	-	-	-	-	-	-	14,509,062,700	
Fixed assets	-	42,130,570,494	-	-	-	-	-	-	42,130,570,494	
Other assets - gross	1,789,588,666	568,834,072,123	-	-	-	-	-	-	570,623,660,789	
Total assets	1,269,951,636,656	625,473,705,317	2,541,322,080,345	465,011,808,204	4,841,595,050	13,000,000,000	2,088,173,578,905	314,325,931,257	7,322,100,335,734	
Liabilities										
Borrowings from other CIs	-	-	1,400,000,000,000	600,000,000,000	370,000,000,000	-	-	100,000,000,000	-	2,470,000,000,000
Customer deposits	-	88,332,178,855	235,858,518,816	12,918,507,306	75,213,816,196	46,764,269,368	13,000,000,000	-	-	472,087,290,541
Valuable papers issued	-	-	260,300,000,000	727,800,000,000	1,313,900,000,000	410,500,000,000	102,000,000,000	-	-	2,814,500,000,000
Other liabilities	-	220,848,506,951	-	-	-	-	-	-	-	220,848,506,951
Total liabilities	-	309,180,685,806	1,896,158,518,816	1,340,718,507,306	1,759,113,816,196	457,264,269,368	215,000,000,000	-	-	5,977,435,797,492
Interest sensitivity gap	1,269,951,636,656	316,293,019,511	645,163,561,529	(875,706,699,102)	(1,754,272,221,146)	(444,264,269,368)	1,873,173,578,905	314,325,931,257	-	1,344,664,538,242

Unit: VND

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

36. MARKET RISK (continued)

36.2 Currency risk

Currency risk is the risk that values of financial instruments fluctuate due to changes in foreign exchange rates.

The Company was established and operates in Vietnam, with VND as its reporting currency. The principal currency for the Company's transactions is VND and partially in USD. During the period, exchange rate between VND and USD fluctuated significantly; however, the Company's loans to customers were primarily in VND. The Company has established a system of limits to manage currency positions. Currency positions are monitored on a daily basis and hedging strategies are used to ensure currency positions are maintained within established limits.

The classification of assets and liabilities by currency translated into VND as at 31 December 2023 is as follows:

	<i>USD</i> <i>Equivalent</i>	<i>EUR</i> <i>Equivalent</i>	<i>Total</i>
Assets			
Balances with the SBV	-	-	-
Deposits with and loans to other CIs	263,788,689	-	263,788,689
Loans to customers - gross	-	-	-
Investment securities - gross	-	-	-
Long-term investments	-	-	-
Fixed assets - net	-	-	-
Other assets	-	-	-
Total assets	263,788,689	-	263,788,689
Liabilities			
Deposits and borrowings from other CIs	-	-	-
Deposits from customers	-	-	-
Valuable papers issued	-	-	-
Other liabilities	-	1,347,136	1,347,136
Total liabilities	-	1,347,136	1,347,136
FX position on-statement of financial position	263,788,689	(1,347,136)	262,441,553
FX position off-statement of financial position	-	-	-
Net on, off-statement of financial position FX position	263,788,689	(1,347,136)	262,441,553
	-	-	-

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

37. LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. To minimize this risk, management plans to diversify its funding sources. The Company also develops flexible policies to manage future asset liquidity, cash flows and liquidity position on daily basis. The Company also assesses cash flow forecast and availability of current collaterals in case of mobilizing additional funds.

The maturity term of assets and liabilities in the below maturity analysis represents the time to contractual maturity date from the financial statement date. The company also analyzes maturity term of assets and liabilities in order to manage liquidity risk.

The following assumptions and conditions have been adopted in the preparation of the Company's maturity analysis:

- ▶ Balance with the SBV are classified as demand deposits, including compulsory deposits. Therefore, the balance of compulsory deposits depends on the composition and term of the Company's customer deposits;
- ▶ The maturity term of investment securities and securities held for trading is based on the maturity date of each type of securities.
- ▶ The maturity term of deposits with and loans to other CIs and loans to customers is based on the contractual maturity date. The contractual maturity date could be changed when the contract is extended.
- ▶ The maturity term of other long-term investments is considered to be more than one year as these investments have indefinite maturity.
- ▶ Deposits and borrowings from other CIs and deposits from customers are determined based on the nature of these amounts or their contractual maturity dates. Transactions on current deposit accounts from other CIs and customers are made upon customer's request and therefore are classified as current. The maturity terms of loans and term deposits are determined based on their contractual maturity dates. In reality, these may be revolved and therefore maintained for a longer period than their initial maturity term.
- ▶ The maturity terms of fixed assets are determined based on their remaining useful life.

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

37. LIQUIDITY RISK (continued)

The below table presents the analysis of the remaining maturity of assets and liabilities of the Company as at 31 December 2023:

	Overdue					Current					Total
	Over 3 months	Within 3 months	Within 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years				
Assets											
Balances with the SBV	-	-	78,445,656	-	-	-	-	-	-	-	78,445,656
Deposits with and loans to other CIs - gross	-	-	1,591,243,634,689	-	-	-	-	-	-	-	1,591,243,634,689
Loans to customers - gross	853,393,338,940	374,568,709,050	950,000,000,000	465,011,808,204	4,841,595,050	1,959,173,578,905	14,325,931,257	4,621,314,961,406			
Investment securities - gross	40,200,000,000	-	-	-	13,000,000,000	129,000,000,000	300,000,000,000	482,200,000,000			
Long-term investments - gross	-	-	-	-	-	-	14,509,062,700	14,509,062,700			
Fixed assets - net	-	-	2,953,124	-	889,104,878	34,792,918,123	6,445,594,369	42,130,570,494			
Other assets - gross	1,789,588,666	-	25,270,025,230	73,756,785,108	25,813,335,819	443,993,925,966	-	570,623,660,789			
Total Assets	895,382,927,606	374,568,709,050	2,566,595,058,699	538,768,593,312	44,544,035,747	2,566,960,422,994	335,280,588,326	7,322,100,335,734			
Liabilities											
Deposits and borrowings from other CIs	-	-	1,400,000,000,000	600,000,000,000	370,000,000,000	100,000,000,000	-	2,470,000,000,000			
Deposits from customers	-	-	235,858,518,816	12,918,507,306	121,978,085,564	101,332,178,855	-	472,087,290,541			
Valuable papers issued	-	-	260,300,000,000	727,800,000,000	1,724,400,000,000	102,000,000,000	-	2,814,500,000,000			
Other liabilities	-	-	49,072,846,066	24,734,413,769	129,716,019,751	15,502,644,365	1,822,583,000	220,848,506,951			
Total Liabilities	-	-	1,945,231,364,882	1,365,452,921,075	2,346,094,105,315	318,834,823,220	1,822,583,000	5,977,435,797,492			
Net liquidity gap	895,382,927,606	374,568,709,050	621,363,693,817	(826,684,327,763)	(2,301,550,069,568)	2,248,125,599,774	333,458,005,326	1,344,664,538,242			

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

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of the financial instruments (“Circular 210”) with effectiveness from financial years beginning on or after 1 January 2011.

The Circular 210 only regulates the presentation of the financial statements and disclosures financial instruments, therefore, the below definitions of financial assets, financial liabilities and other relating definitions are applied solely for the preparation of this note. The Company’s assets and liabilities are still recognized and recorded in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions, regulations of the SBV and statutory requirements relevant to preparation and presentation of the financial statements.

Financial assets

Under Circular 210, financial assets of the Company include balances with the SBV and placements with other credit institutions, loans to customers and other receivables.

Financial assets within the scope of Circular 210, for disclosures in the notes to the financial statements, are classified into either of the followings:

- ***Financial assets at fair value through profit and loss***

Financial assets at fair value through profit and loss is a financial asset that meets either of the following conditions:

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

- ***Held-to-maturity investments***

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

- a) Those that the entity upon initial recognition designates as at fair value through the income statement;
- b) Those that the entity designates as available for sale; and
- c) Those meet the definition of loans and receivables.

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

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial assets (continued)

▪ ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or measurable liquidity and are not listed in the market, except:

- a) Financial assets which the Company intends to sell immediately or in the near future are assets held for trading purpose, and are recognized at fair value through the income statement at the beginning;
- b) Financial assets which are classified as available-for-sale by the Company at the beginning; or
- c) Financial assets which holders may not recover majority of original investments, not due to impairment of credit quality and are classified as available-for-sale.

▪ ***Available-for-sale financial assets***

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

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

Financial liabilities

According to Circular 210 financial liabilities of the Company includes other financial liabilities.

Financial liabilities within the scope of Circular 210, for disclosures in the notes to the financial statements, are classified into either of the followings:

▪ ***Financial liabilities at fair value through profit and loss***

Financial liabilities at fair value through the income statement is a financial liability that meets either of the following conditions:

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

▪ ***Financial liabilities at amortized cost:***

Financial liabilities that are not classified as at fair value through the income statement are classified as at amortized cost.

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

38. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

38.1 Carrying value and fair value of financial assets and liabilities

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

	Carrying value			Fair value
	Held-to-maturity	Loans and receivables	Available-for-sale	
			Other assets and liabilities recorded at amortized cost	Total
Assets				
Balances with the SBV	-	78,445,656	-	78,445,656
Deposits with and loans to other CIs	-	1,591,243,634,689	-	1,591,243,634,689 (*)
Loans to customers – gross	-	4,621,314,961,406	-	4,621,314,961,406 (*)
Investment securities – gross	182,200,000,000	-	-	482,200,000,000 (*)
Long-term investments	-	-	14,509,062,700	14,509,062,700 (*)
Other financial assets	-	133,617,077,875	-	133,617,077,875 (*)
Total Assets	182,200,000,000	6,346,254,119,626	314,509,062,700	6,842,963,182,326 (*)
Liabilities				
Deposits and borrowings from other CIs	-	-	2,470,000,000,000	2,470,000,000,000 (*)
Deposits from customers	-	-	472,087,290,541	472,087,290,541 (*)
Valuable papers issued	-	-	2,814,500,000,000	2,814,500,000,000 (*)
Other financial liabilities	-	-	220,848,506,951	220,848,506,951 (*)
Total Liabilities	-	-	5,977,435,797,492	5,977,435,797,492 (*)

(*) The Company has not determined fair values of these financial instruments for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System applicable to credit institutions issued by the State Bank of Vietnam and the relevant statutory requirements. The fair values of these financial instruments may differ from their carrying value.

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

39. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

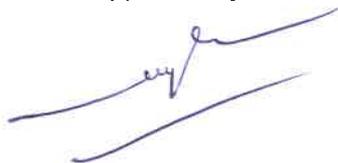
There is no significant event that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.

Prepared by:



Mr. Tran Quang Trung
Accountant

Approved by:



Ms. Trang Ngoc Yen Vy
Head of Accounting
Department

Approved by:



The stamp is circular and red, containing the following text: 'M.S.D.N. 01023770-CT.C.P.' around the top edge, 'Q. ĐÔNG ĐÀ - TP. HÀ NỘI' around the bottom edge, and 'CÔNG TY TÀI CHÍNH CỔ PHẦN TÍN VIỆT' in the center.

Mr. Ho Minh Tam
Chief Executive Officer

Hanoi, Vietnam

15 March 2024



A small red circular stamp on the right margin, containing the text 'T.N.H.H.' at the top, a star in the center, and 'H.N.' at the bottom.

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