



**Vietnam International Commercial Joint Stock Bank**

**Consolidated Interim Financial Statements  
for quarter II of 2024**



## **Vietnam International Commercial Joint Stock Bank**

### **Bank Information**

**Banking Licence No.** 23/GP-NHNN 19 September 2022

The Banking Licence No. 23/GP-NHNN was issued by the State Bank of Vietnam to replace the Banking Licence No. 95/GP-NHNN dated 28 September 2018 and is valid for 99 years from the date of the initial licence, i.e. 25 January 1996, which was amended under Decision No. 1406/QĐ-NHNN dated 26 July 2023.

**Business Registration Certificate No.** 0100233488 14 February 1996

The Bank's Business Registration Certificate has been amended several times, and the 38<sup>th</sup> amendment of which was issued on 23 August 2023 by the Business Registration Department – Ho Chi Minh City Department of Planning and Investment.

<b>Board of Directors</b>	Mr. Dang Khac Vy	Chairman
	Mr. Dang Van Son	Vice Chairman
	Mr. Han Ngoc Vu	Member cum Chief Executive Officer
	Mr. Do Xuan Hoang	Member
	Ms. Nguyen Thi Bich Hanh	Independent Member

<b>Supervisory Board</b>	Ms. Nguyen Thuy Linh	Head of Supervisory Board
	Ms. Nguyen Luong Thi Bich Thuy	Member
	Mr. Dao Quang Ngoc	Member

**Vietnam International Commercial Joint Stock Bank**  
**Bank Information (continued)**

**The Board of Management  
and Chief Accountant**

Mr. Han Ngoc Vu	Member of Board of Directors cum Chief Executive Officer
Mr. Ho Van Long	Deputy Chief Executive Officer cum Head of Retail Banking cum Chief Financial Officer <i>(Appointed as Head of Retail Banking on 1 April 2024)</i>
Mr. An Thanh Son	Deputy Chief Executive Officer cum Head of General Counsel Division
Mr. Tran Nhat Minh	Deputy Chief Executive Officer cum Head of Business Technology Services cum Head of Digital Banking <i>(Appointed as Head of Digital Banking on 1 April 2024)</i>
Ms. Pham Thi Minh Hue	Chief Accountant

**Legal Representative**

Mr. Han Ngoc Vu	Member of Board of Directors cum Chief Executive Officer
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**Registered office**

1<sup>st</sup> floor (ground floor) and 2<sup>nd</sup> floor of Sailing Tower  
111A Pasteur, Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

**Auditor**

KPMG Limited  
Vietnam

## Vietnam International Commercial Joint Stock Bank Statement of the Board of Management

The Board of Management of Vietnam International Commercial Joint Stock Bank (“the Bank”) presents this statement and the accompanying consolidated interim financial statements of the Bank and its subsidiary (collectively referred to as “VIB”) for the quarter II of 2024.

The Board of Management of the Bank is responsible for the preparation and fair presentation of the accompanying consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Board of Management of the Bank:

- (a) the consolidated interim financial statements set out on pages 6 to 85 give a true and fair view of the consolidated financial position of VIB as at 30 June 2024, and of their consolidated results of operations for the three-month period and the six-month period then ended and consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons for the Board of Management to believe that VIB will not be able to pay its debts as and when they fall due.

The Board of Management has, on the date of this statement, authorised the accompanying consolidated interim financial statements for issue.

On behalf of the Board of Management



*Chief Executive Officer*

Ho Chi Minh City, 5 August 2024



KPMG Limited  
46th Floor, Keangnam Landmark 72  
E6 Pham Hung Street, Me Tri Ward  
South Tu Liem District, Hanoi, Vietnam  
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## **INTERIM FINANCIAL STATEMENTS REVIEW REPORT**

### **To the Shareholders Vietnam International Commercial Joint Stock Bank**

We have reviewed the accompanying consolidated interim financial statements of Vietnam International Commercial Joint Stock Bank ("the Bank") and its subsidiary (collectively referred to as "VIB"), which comprise the consolidated statement of financial position as at 30 June 2024, the consolidated statements of income for the three-month period and six-month period then ended and the consolidated statement of cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Bank's Board of Management on 5 August 2024, as set out on pages from 6 to 85.

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

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

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 - *Review of interim financial information performed by the independent auditor of the entity*.

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



## Auditor's Conclusion

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

### KPMG Limited

Vietnam

Review Report No. 22-02-00550-24-20



Pham Thi Thuy Linh  
Practicing Auditor Registration  
Certificate No. 3065-2024-007-1  
Deputy General Director

Hanoi, 05 AUG 2024

Le Nhat Vuong  
Practicing Auditor Registration  
Certificate No. 3849-2022-007-1

	Note	30/6/2024 VND million	31/12/2023 VND million
<b>ASSETS</b>			
Cash and gold on hand	4	1,703,868	1,681,071
Balances with the State Bank of Vietnam ("SBV")	5	5,829,972	8,217,767
<b>Balances with and loans to other credit institutions ("CIs")</b>	6	114,455,663	68,197,574
Balances with other CIs		62,043,274	56,382,159
Loans to other CIs		52,412,389	11,815,415
<b>Derivative financial instruments and other financial assets</b>	7	-	156,721
<b>Loans to customers</b>		273,996,195	262,075,015
Loans to customers	8	278,906,037	266,345,545
Allowance for loans to customers	9	(4,909,842)	(4,270,530)
<b>Debt purchases</b>	10	10,547	16,370
Debt purchases		10,628	16,495
Allowance for debt purchases		(81)	(125)
<b>Investment securities</b>		28,742,093	60,988,364
Available-for-sale securities	11	28,722,721	60,956,278
Held-to-maturity securities	12	42,380	42,380
Allowance for investment securities	13	(23,008)	(10,294)
<b>Long-term investments</b>	14	69,457	69,457
Other long-term investments		69,667	69,667
Allowance for diminution in the value of long-term investments		(210)	(210)
<b>Fixed assets</b>		790,583	756,167
Tangible fixed assets	15	486,664	466,709
Cost		1,193,044	1,119,672
Accumulated depreciation		(706,380)	(652,963)
Intangible fixed assets	16	303,919	289,458
Cost		744,574	694,855
Accumulated amortisation		(440,655)	(405,397)
<b>Investment properties</b>		2,431	2,501
Cost		3,542	3,542
Accumulated depreciation		(1,111)	(1,041)

*The accompanying notes are an integral part of these consolidated interim financial statements*

**Vietnam International Commercial Joint Stock Bank**  
**1<sup>st</sup> floor (ground floor) and 2<sup>nd</sup> floor of Sailing Tower, 111A Pasteur**  
**Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam**  
**Consolidated statement of financial position as at 30 June 2024**  
**(continued)**

Form B02a/TCTD-HN  
(Issued under Circular  
No. 49/2014/TT-NHNN  
dated 31 December 2014 of  
the State Bank of Vietnam)

	Note	30/6/2024 VND million	31/12/2023 VND million
<b>Other assets</b>	<b>17</b>	<b>5,361,271</b>	<b>7,720,366</b>
Receivables		1,692,964	3,003,801
Accrued interest and fee receivables		2,622,747	3,663,279
Other assets		1,046,129	1,064,350
Allowance for other on-balance sheet assets		(569)	(11,064)
<b>TOTAL ASSETS</b>		<b>430,962,080</b>	<b>409,881,373</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>LIABILITIES</b>			
<b>Deposits and borrowings from other CIs</b>	<b>18</b>	<b>117,276,733</b>	<b>98,639,721</b>
Deposits from other CIs		95,731,525	74,755,571
Borrowings from other CIs		21,545,208	23,884,150
<b>Deposits from customers</b>	<b>19</b>	<b>247,629,776</b>	<b>236,577,266</b>
<b>Derivative financial instruments and other financial liabilities</b>	<b>7</b>	<b>669,968</b>	<b>-</b>
<b>Other borrowed and entrusted funds</b>	<b>20</b>	<b>6,090</b>	<b>6,930</b>
<b>Valuable papers issued</b>	<b>21</b>	<b>15,994,695</b>	<b>23,896,936</b>
<b>Other liabilities</b>	<b>22</b>	<b>11,034,389</b>	<b>12,820,933</b>
Accrued interest and fee payables		3,740,359	4,218,295
Other liabilities		7,294,030	8,602,638
<b>TOTAL LIABILITIES</b>		<b>392,611,651</b>	<b>371,941,786</b>
<b>OWNERS' EQUITY</b>			
<b>Capital and reserves</b>	<b>23</b>	<b>38,350,429</b>	<b>37,939,587</b>
Capital		25,369,708	25,369,708
Charter capital		25,368,075	25,368,075
Share premium		1,633	1,633
Reserves		4,756,397	3,470,408
Foreign exchange difference		(77)	-
Retained profits		8,224,401	9,099,471
<b>TOTAL OWNERS' EQUITY</b>		<b>38,350,429</b>	<b>37,939,587</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>430,962,080</b>	<b>409,881,373</b>

*The accompanying notes are an integral part of these consolidated interim financial statements*



**OFF-BALANCE SHEET ITEMS**

	Note	30/6/2024 VND million	31/12/2023 VND million
Foreign exchange commitments	37	357,923,443	227,964,990
<i>Foreign currency purchase commitments</i>		1,752,407	1,762,364
<i>Foreign currency sale commitments</i>		1,449,382	1,775,463
<i>Swap commitments</i>		354,721,654	224,427,163
Letters of credit	37	2,759,225	1,943,650
Other guarantees	37	6,535,183	7,025,057
Other commitments	37	41,371,675	38,380,834
Uncollected loan interest and fees	38	3,272,851	3,162,280
Written-off bad debts	39	20,359,664	18,479,513
Other assets and documents in custody	40	16,286,495	29,531,434

5 August 2024

Prepared by:



Pham Thi Minh Hue  
Chief Accountant

Reviewed by:



Ho Van Long  
Deputy Chief Executive Officer  
cum Head of Retail Banking  
cum Chief Financial Officer

Approved by:



Hai Ngọc Vu  
Chief Executive Officer

*The accompanying notes are an integral part of these consolidated interim financial statements*

**Vietnam International Commercial Joint Stock Bank**  
**1<sup>st</sup> floor (ground floor) and 2<sup>nd</sup> floor of Sailing Tower, 111A Pasteur**  
**Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam**  
**Consolidated statement of income for the three-month period and**  
**six-month period ended 30 June 2024**

Form B03a/TCTD-HN  
(Issued under Circular  
No. 49/2014/TT-NHNN  
dated 31 December 2014  
of the State Bank of Vietnam)

	Note	Three-month period ended 30/6/2024 VND million	Three-month period ended 30/6/2023 VND million	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
Interest and similar income	26	7,671,230	9,396,200	15,337,021	18,484,909
Interest and similar expenses	26	(3,725,636)	(4,994,338)	(7,355,587)	(9,778,941)
<b>Net interest income</b>	<b>26</b>	<b>3,945,594</b>	<b>4,401,862</b>	<b>7,981,434</b>	<b>8,705,968</b>
Fee and commission income	27	1,188,170	1,126,611	2,253,562	2,069,287
Fee and commission expenses	27	(446,515)	(340,539)	(758,159)	(664,784)
<b>Net fee and commission income</b>	<b>27</b>	<b>741,655</b>	<b>786,072</b>	<b>1,495,403</b>	<b>1,404,503</b>
<b>Net gain/(loss) from trading of foreign currencies</b>	<b>28</b>	<b>25,587</b>	<b>9,765</b>	<b>315,443</b>	<b>(18,084)</b>
<b>Net gain/(loss) from investment securities</b>	<b>29</b>	<b>24,085</b>	<b>(3,957)</b>	<b>36,932</b>	<b>(14,284)</b>
Other income		334,377	179,295	569,031	238,616
Other expenses		(32,508)	(9,133)	(40,943)	(23,218)
<b>Net other income</b>	<b>30</b>	<b>301,869</b>	<b>170,162</b>	<b>528,088</b>	<b>215,398</b>
<b>Income from capital contribution, share purchase</b>		<b>400</b>	<b>-</b>	<b>400</b>	<b>-</b>
<b>Total operating income</b>		<b>5,039,190</b>	<b>5,363,904</b>	<b>10,357,700</b>	<b>10,293,501</b>
<b>Operating expenses</b>	<b>31</b>	<b>(1,806,190)</b>	<b>(1,555,747)</b>	<b>(3,677,282)</b>	<b>(3,123,257)</b>
<b>Net operating profit before allowance expenses</b>		<b>3,233,000</b>	<b>3,808,157</b>	<b>6,680,418</b>	<b>7,170,244</b>
<b>Allowance expenses for credit losses</b>	<b>32</b>	<b>(1,129,885)</b>	<b>(860,152)</b>	<b>(2,075,373)</b>	<b>(1,528,339)</b>
<b>Profit before tax (carried forward)</b>		<b>2,103,115</b>	<b>2,948,005</b>	<b>4,605,045</b>	<b>5,641,905</b>

*The accompanying notes are an integral part of these consolidated interim financial statements*

**Vietnam International Commercial Joint Stock Bank**  
**1<sup>st</sup> floor (ground floor) and 2<sup>nd</sup> floor of Sailing Tower, 111A Pasteur**  
**Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam**  
**Consolidated statement of income for the three-month period and**  
**six-month period ended 30 June 2024 (continued)**

**Form B03a/TCTD-HN**  
*(Issued under Circular*  
*No. 49/2014/TT-NHNN*  
*dated 31 December 2014*  
*of the State Bank of Vietnam)*

	Note	Three-month period ended 30/6/2024 VND million	Three-month period ended 30/6/2023 VND million	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
<b>Profit before tax</b> (brought forward from the previous page)		<b>2,103,115</b>	<b>2,948,005</b>	<b>4,605,045</b>	<b>5,641,905</b>
Income tax expenses – current	33	(420,153)	(589,605)	(920,940)	(1,128,394)
Income tax expense	33	(420,153)	(589,605)	(920,940)	(1,128,394)
<b>Net profit after tax</b>		<b>1,682,962</b>	<b>2,358,400</b>	<b>3,684,105</b>	<b>4,513,511</b>
<b>Basic earning per share</b> (VND/share)	24	<b>624</b>	<b>930</b>	<b>1,413</b>	<b>1,736</b>

5 August 2024

Prepared by:



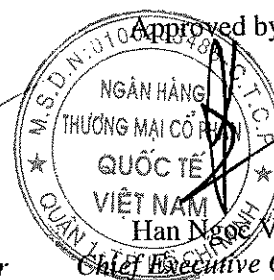
Pham Thi Minh Hue  
Chief Accountant

Reviewed by:



Ho Van Long  
Deputy Chief Executive Officer  
cum Head of Retail Banking  
cum Chief Financial Officer

Approved by:



Han Ngoc Vu  
Chief Executive Officer

*The accompanying notes are an integral part of these consolidated interim financial statements*

**Vietnam International Commercial Joint Stock Bank**  
**1<sup>st</sup> floor (ground floor) and 2<sup>nd</sup> floor of Sailing Tower, 111A Pasteur**  
**Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam**  
**Consolidated statement of cash flows for the six-month period ended**  
**30 June 2024 (Direct method)**

**Form B04a/TCTD-HN**  
*(Issued under Circular*  
*No. 49/2014/TT-NHNN*  
*dated 31 December 2014*  
*of the State Bank of Vietnam)*

	<b>Six-month period ended 30/6/2024 VND million</b>	<b>Six-month period ended 30/6/2023 VND million</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest and similar income received	16,377,553	17,482,823
Interest and similar expenses paid	(7,833,523)	(9,194,918)
Fees and commission income received	1,495,403	1,404,503
Net receipts/(payments) from foreign currencies and securities trading activities	365,089	(38,556)
Other income received	29,452	29,481
Collection from bad debts previously written off	498,636	184,691
Payments for salary and operating expenses	(3,807,852)	(3,034,621)
Corporate income tax paid during the period	(1,518,496)	(2,193,971)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>5,606,262</b>	<b>4,639,432</b>
<b>Changes in operating assets</b>		
(Increase)/decrease in balances with and loans to other CIs	(40,596,974)	1,699,771
Decrease/(increase) in investment securities	32,233,557	(10,974,536)
Decrease/(increase) in derivative financial instruments and other financial assets	156,721	(350,445)
Increase in loans to customers	(12,554,625)	(2,714,914)
Utilization of allowance for credit losses and debt handling	(1,446,600)	(1,232,470)
Other decrease in operating assets	1,327,459	1,826,713
<b>Changes in operating liabilities</b>		
Increase in deposits and borrowings from other CIs	18,637,012	35,218,376
Increase in deposits from customers	11,052,510	5,178,832
Decrease in valuable papers issued	(7,902,241)	(6,427,988)
Decrease in other borrowed and entrusted funds	(840)	(897)
Increase in derivative financial instruments and other financial liabilities	669,968	-
Other (decrease)/increases in operating liabilities	(588,770)	997,622
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>6,593,439</b>	<b>27,859,496</b>

*The accompanying notes are an integral part of these consolidated interim financial statements*

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for purchases of fixed assets	(126,712)	(74,267)
Proceeds from disposals of fixed assets	-	1,226
Dividend and profits distributed from long-term investments and capital contributions	400	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(126,312)</b>	<b>(73,041)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of dividends	(3,171,010)	(3,161,509)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(3,171,010)</b>	<b>(3,161,509)</b>
<b>NET CASH FLOWS DURING THE PERIOD</b>	<b>3,296,117</b>	<b>24,624,946</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>66,280,997</b>	<b>39,841,587</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (NOTE 25)</b>	<b>69,577,114</b>	<b>64,466,533</b>

5 August 2024

Prepared by:



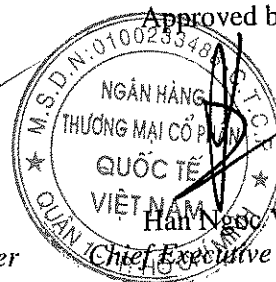
Pham Thi Minh Hue  
Chief Accountant

Reviewed by:



Ho Van Long  
Deputy Chief Executive Officer  
cum Head of Retail Banking  
cum Chief Financial Officer

Approved by:



Han Ngoc Vu  
Chief Executive Officer

The accompanying notes are an integral part of these consolidated interim financial statements

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

## 1. Reporting entity

### (a) Establishment and operation

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

The Bank was established pursuant to Banking License No. 23/GP-NHNN (to replace the Banking Licence No. 95/GP-NHNN dated 28 September 2018) issued by the State Bank of Vietnam ("SBV") on 19 September 2022. The Banking Licence of the Bank is valid for 99 years from 25 January 1996, which was amended under Decision No. 1406/QĐ-NHNN dated 26 July 2023.

The principal activities of the Bank are mobilising and receiving short, medium and long-term deposit funds from organisations and individuals; providing short, medium and long-term loans based on the nature and ability of the Bank's capital resources; conducting settlement and cash services and other banking services as approved by SBV; making capital contributions, purchasing shares, investment in bonds and trading foreign currencies in accordance with the law.

### (b) Charter capital

The charter capital of the Bank was VND50,000,000,000 when it was established in 1996 and has been increased periodically according to decisions of the General Meeting of Shareholders. The charter capital of the Bank as at 30 June 2024 is VND25,368,075,340,000 (31/12/2023: VND25,368,075,340,000).

### (c) Location and network

The Bank's Head Office is located at 1<sup>st</sup> floor (ground floor) and 2<sup>nd</sup> floor of Sailing Tower, 111A Pasteur, Ben Nghe Ward, District 1, Ho Chi Minh City. As at 30 June 2024, the Bank had one (1) Head Office, one hundred and eighty-eight (188) business units including sixty-two (62) branches, one hundred and twenty-six (126) transaction offices in provinces and cities nationwide (31/12/2023, the Bank had one (1) Head Office, one hundred and eighty-eight (188) business units including sixty-two (62) branches, one hundred and twenty-six (126) transaction offices in provinces and cities nationwide).

### (d) Subsidiary

As at 30 June 2024 and 31 December 2023, the Bank had one (1) subsidiary as follows:

Company name	Certificate of business registration	Business sector	% owned by the Bank
Vietnam International Commercial Joint Stock Bank – Asset Management Company Limited ("VIB AMC")	0104346676 dated 29 December 2009 (first time) and 17 <sup>th</sup> amendment dated 9 June 2023 by the Business Registration Department - Hanoi Department of Planning and Investment	Debt and asset management	100%

The Bank's consolidated financial statements include the Bank and its subsidiaries (collectively referred to as "VIB").

**(e) Total number of employees**

As at 30 June 2024, VIB had 11,533 employees (31/12/2023: 12,253 employees).

**2. Basis of preparation the financial statements**

**(a) Statement of compliance**

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

**(b) Basis of measurement**

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

**(c) Accounting period**

The annual accounting period of VIB is from 1 January to 31 December. These consolidated interim financial statements of VIB have been prepared for quarter II of 2024.

**(d) Accounting currency**

VIB's accounting currency is Vietnam Dong ("VND"). These consolidated interim financial statement have been prepared and presented in Vietnam Dong ("VND"), rounded to the nearest million ("VND million").

### 3. Summary of significant accounting policies

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

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

(a) **Basis of consolidation**

(i) ***Subsidiary***

Subsidiary is entity controlled by VIB. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) ***Transactions eliminated on consolidation***

Intra-group transactions and balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the VIB's interest in the investee.

(b) **Foreign currency**

***Foreign currency transactions***

All transactions are recorded in their original currencies. Monetary items denominated in currencies other than VND are translated into VND at average exchange rate for spot selling and buying ("spot exchange rate") (gold is converted at the average selling and buying rate) of VIB at the end of the last working day of the accounting period if the difference between the spot exchange rate and the weighted average of buying and selling exchange rates of the last working day of the accounting period is less than 1% (refer to Note 50 for details of foreign exchange rates as at 30 June 2024). If the difference between the spot exchange rate at the end of the last working day of the accounting period and the weighted average of buying and selling exchange rates of the last working day of the accounting period is 1% or more, VIB shall use the weighted average of buying and selling exchange rates of the last working day of the accounting period.

Non-monetary foreign currency assets and liabilities are translated into VND using the spot exchange rates effective at the dates of the transactions.

Income and expense in foreign currencies are translated into VND using the spot exchange rates effective at the dates of the transactions.

Foreign exchange differences arising from translation of monetary assets and liabilities at the end of the accounting period are recognised in the "Foreign exchange differences" account in equity on the consolidated statement of financial position and then transferred to the consolidated statement of income at the end of the annual accounting period.



(c) **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, gold on hand, balances with the SBV, balances with other credit institutions, loans to other credit institutions with original term to maturities not exceeding three months, Government treasury bills notes and other short-term valuable papers which are eligible for discount with the SBV, investments securities with recovery or maturity terms not exceeding three months from the acquisition date, that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Gold is revaluated at the end of the interim accounting period and the differences arising on revaluation are recorded in the consolidated statement of income at the end of the annual accounting period.

(d) **Balances with and loans to other credit institutions (“CIs”)**

Balances with other CIs include current deposits and deposits at other CIs with original terms of not exceeding three months. Loans to other credit institutions are loans with original terms to maturity of no more than twelve months.

Balances with other CIs, except for current deposits and loans to other CIs are stated at the amount of outstanding principal less any specific allowance for credit risks.

Current deposits with other credit institutions are stated at cost.

Credit risk classification of term deposits and loans to other CIs and allowance thereof is made in accordance with Circular No.11/2021/TT-NHNN dated 30 July 2021 (“Circular 11”) of the State of Bank of Vietnam on classification of assets level and method of allowance making, and use of allowance against credit risk in banking activities of credit institutions and foreign banks’ branches. Accordingly, VIB carries out debt classification and has provided specific allowance for term deposits and loans to other credit institutions in accordance with Circular 11 as presented in Note 3(f).

According to Circular 11, VIB is not required to make general allowance for term deposits and loans to other CIs.

(e) **Loans to customers**

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

Short-term loans are those with maturity term of no more than one year from the loan disbursement date. Medium-term loans are those with maturity from more than one year to five years of the loan disbursement date. Long-term loans are those with maturity term of more than five years from the loan disbursement date.

Debt classification and allowance for credit losses for loans to customers are made in accordance with regulations in Circular 11 as described in Note 3(f).

(f) **Debt classification and the rate and method of making allowance for credit losses**

(i) **Debt classification**

Debt classification for term deposits with and loans to other credit institutions, unlisted corporate bonds (including bonds issued by other CIs), loans to customers, entrusted loans, debts that have been sold but have not yet received money and repurchased debts (collectively referred to as “debts”) is made in accordance with the quantitative method as stipulated in Article 10 of Circular 11. VIB carries out monthly debt classification based on the outstanding principals of debts at the last date of the month as follows:

Group		Overdue status
1	Current debts	(a) Current debts being assessed as fully and timely recoverable, both principal and interest; or (b) Debts being overdue for less than 10 days and being assessed as fully recoverable, both overdue principal and interest, and fully and timely recoverable, both remaining principal and interest.
2	Special mentioned debts	(a) Debts being overdue between 10 days and 90 days; or (b) Debts having terms of repayment rescheduled for the first time and are undue.
3	Sub-standard debts	(a) Debts being overdue between 91 days and 180 days; or (b) Debts having terms of repayment extended for the first time which is unmatured; or (c) Debts having exempted or reduced interest because customers are not able to pay the interest according to the credit contract; or (d) Debts falling in one of the following cases not yet collected within 30 days since the issuance date of recovery decision: - Debts having violated regulations specified in Points 1, 3, 4, 5, 6 of Article 126 of Laws on Credit Institutions; or - Debts having violated regulations specified in Points 1, 2, 3, 4 of Article 127 of Laws on Credit Institutions; or - Debts having violated regulations specified in Points 1, 2, 5 of Article 128 of Laws on Credit Institutions. (e) Debts in the collection process under inspection conclusions; or (f) Debts that need to be recovered under premature debt recovery decisions due to borrowers' breach of agreements with them, but are not yet recovered within a period of less than 30 days from the effective dates of recovery decisions.
4	Doubtful debts	(a) Debts being overdue between 181 days and 360 days; or (b) Debts having rescheduled terms of repayment for the first time and being overdue 90 days according to the first rescheduled terms of repayment; or (c) Debts having rescheduled terms of repayment for the second time which is immature; or (d) Debts specified in point (d) of Sub-standard debts not yet collected between 30 days and 60 days since the issuance date of recovery decision; or (e) Debts in the collection process under inspection conclusions but being overdue up to 60 days according to recovery term; or (f) Debts that need to be recovered under premature debt recovery decisions due to borrowers' breach of agreements with them, but are not yet recovered in 30 and 60 days from the effective dates of recovery decisions.

Group		Overdue status
5	Loss debts	(a) Debts being overdue more than 360 days; or (b) Debts having rescheduled terms of repayment for the first time and being overdue of 91 days or more according to the first rescheduled terms of repayment; or (c) Debts having rescheduled terms of repayment for the second time and being overdue according to the second reschedule terms of repayment; or (d) Debts having rescheduled terms of repayment for the third time or more, regardless of whether the debts are overdue or not; or (e) Debts specified in point (d) of Sub-standard debts not yet collected over 60 days since the issuance date of recovery decision; or (f) Debts in the collection process under inspection conclusions but being overdue of more than 60 days according to recovery term; or (g) Debts that need to be recovered under premature debt recovery decisions due to borrowers' breach of agreements with them, but are not yet recovered in more than 60 days from the effective dates of recovery decisions; or (h) Debts to credit institutions being announced under special supervision status by the SBV, or to foreign bank branches of which capital and assets are blockaded.

For off-balance sheet commitments, VIB classifies debts based on the overdue days from the date when VIB performs committed obligations:

- 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 debts in Group 3, 4 and 5.

Where a customer owes more than one debts to VIB, and has any of its debts transferred to a higher risk group, VIB classifies the remaining debts of such customer into the group of debts with the highest level of risk.

When VIB participates in a syndicated loan, VIB classifies all debts (including the syndicated loan) of the customer into a higher risk group of debt as that classified and informed by the banks participating in a syndicated loan and the assessment of the VIB itself.

VIB also uses the results of debt classification as provided by the Credit Information Center of the SBV ("CIC") at the date of classification to adjust the results of its internal classification of debts and off-balance sheet commitments. Where debts and off-balance sheet commitments of one customer are classified by VIB into a lower risk group of debts as compared to that informed by CIC, VIB reclassifies such debts and off-balance sheet commitments to the group of debts as informed by CIC.

***Debt classification for loans having rescheduled debt repayment term, exempted or reduced interest and fees in order to support customers affected by Covid-19 pandemic***

VIB has adopted Circular No. 01/2020/TT-NHNN dated 13 March 2020 ("Circular 01") issued by the SBV on providing regulations on restructuring of loan repayment periods, exemption/reduction of interest/fees and keeping loan groups unchanged to assist customers affected by the Covid-19 pandemic, Circular No. 03/2021/TT-NHNN dated 2 April 2021 ("Circular 03") issued by the SBV on amending and supplementing to some articles of Circular 01 and Circular No. 14/2021/TT-NHNN dated 7 September 2021 ("Circular 14") issued by the SBV on amending and supplementing to some articles of Circular 01. Accordingly, for debts:

- granted before 1 August 2021;
- incurred principal and/or interest during the period from 23 January 2020 to 30 June 2022;
- the outstanding debt may be rescheduled in the following cases: the outstanding debt is undue or up to 10 days overdue according to the loan agreement; debt repayment period according to the contract; or the outstanding debt is incurred before 23 January 2020 and becomes overdue during the period from 23 January 2020 to 29 March 2020; the outstanding debt is incurred from 23 January 2020 to before 10 June 2020 and becomes overdue before 17 May 2021; the outstanding debt is incurred from 10 June 2020 to before 1 August 2021 and becomes overdue during the period from 17 July 2021 to before 7 September 2021;

and the borrower is unable to repay the principal and/or interest on schedule under the loan agreement due to decrease in revenue or income caused by Covid-19 pandemic, VIB is allowed to reschedule loan repayment periods, grant exemption/reduction of interest/fees and loan groups as follow:

Debts	Debt classification
Incurring before 23 January 2020	Loan groups are kept unchanged from those classified at the most recent date prior to 23 January 2020.
Incurring from 23 January 2020 to 1 August 2021	<ul style="list-style-type: none"> <li>- Loan groups are kept unchanged from those classified at the most recent date prior to the date of being restructured repayment term for the first time; or</li> <li>- Loan groups are kept unchanged from those classified at the most recent date prior to the date of being overdue; or</li> <li>- Loan groups are kept unchanged from those classified at the most recent date prior to the date of exemption/reduction of interest/fees for the first time.</li> </ul>

From 1 January 2024, VIB carries out debt classification for the outstanding debts that are rescheduled, granted interest exemption, interest reduction or debt category retention prescribed by Circular 01, Circular 03 and Circular 14 in accordance with Circular 11.

***Debt classification for loans having rescheduled debt repayment term and keeping loan groups unchanged, in order to support customers in difficulties***

VIB has adopted Circular No. 02/2023/TT-NHNN dated 23 April 2023 ("Circular 02") issued by the SBV on providing regulations on restructuring of loan repayment periods and keeping loan groups unchanged in order to support customers in difficulties and Circular No. 06/2024/TT-NHNN dated 23 April 2024 ("Circular 06") issued by the SBV on amending and supplementing to some articles of Circular 02. Accordingly, for debts:

- granted before 24 April 2023 and from lending and financial leasing activities;
- incurred principal and/or interest during the period from 24 April 2023 to 31 December 2024;
- with the outstanding debt balance being undue or up to 10 (ten) days overdue from the due date according to the contract/agreement; the borrower is evaluated by VIB as being unable to repay the principal and/or interest on schedule under the signed loan contract, agreement due to decrease in revenue or income compared to that in the plan for payment of loan principals and/or interests under the contract or agreement; evaluated by VIB as being able to pay off the loan principal and/or interest on the rescheduled due date;
- and not in violation of laws.

VIB is allowed to reschedule loan repayment periods and keeping loan groups unchanged as those at the most recent date to the reschedule date.

(ii) **Specific allowance for credit losses**

According to Circular 11, VIB determines specific allowance for credit risks at the end of each month based on the allowance rates corresponding to debt classification results and loan principals balance less the discounted value of collateral assets at the end of the month. Specific allowance as at 30 June 2024 is determined based on the debt classification results and outstanding principals of debts at 30 June 2024. The rates of specific allowance for specific loan groups are as follows:

Loan group	Rates of specific allowance
1 – Current debts	0%
2 – Special mentioned debts	5%
3 – Sub-standard debts	20%
4 – Doubtful debts	50%
5 – Loss debts	100%

The maximum discounted value and rate of collateral assets is determined in accordance with regulations in Circular 11 whereby each type of collateral assets has a certain maximum deduction rate for the purpose of calculating the risk allowance.

**Additional specific allowance in accordance with Circular 03**

VIB determines and records the additional specific allowance for the entire outstanding loan balance of customers monthly, including the loan balances with repayment period rescheduled, interest exempted or reduced according to the loan classifications in accordance with Circular 11 (if the regulations on keeping loan groups unchanged under the provisions of Circular 01, Circular 03 and Circular 14):

Additional allowance	Deadline
At least 30% of the total specific allowance amount required to be made	By 31 December 2021
At least 60% of the total specific allowance amount required to be made	By 31 December 2022
100% of the total specific allowance amount required to be made	By 31 December 2023

VIB has fully recorded the additional specific allowance according to the timeline stated above. From 1 January 2024, VIB has made specific allowance for the outstanding debts that are rescheduled, granted interest exemption, interest reduction or debt category retention prescribed by Circular 01, Circular 03 and Circular 14 in accordance with Circular 11.

***Additional specific allowance in accordance with Circular 02***

VIB also determines and records the additional specific allowance for the entire outstanding loan balance of customers with repayments and loan groups unchanged in accordance with Circular 02 and Circular 06 as follows:

Additional allowance	Deadline
At least 50% of the total specific allowance amount required to be made	By 31 December 2023
100% of the total specific allowance amount required to be made	By 31 December 2024

As at 31 December 2023, the VIB has made 50% of the above additional specific allowance. During the six-month period ended 30 June 2024, VIB had continued to apply at least 50% allowance rate and will make additional specific allowance according to the timeline stated above.

**(iii) General allowance for credit risks**

According to Circular 11, general allowance is also required at the rate of 0.75% of total balance of debts at the end of the month, except for the balances with and loans to other credit institutions, bonds issued by other CIs and the loans classified into the loss group. General allowance as at 30 June 2024 is calculated based on debt classification and outstanding principals of debts at 30 June 2024.

**(iv) Write-off of bad debts**

According to Circular 11, loans to customers are written off against the allowance when loans to customers have been classified to Group 5 or when borrowers have been declared bankrupt or dissolved (for borrowers being organisations and enterprises) or borrowers are deceased or missing (for borrowers being individuals).

Debts written-off against allowance are recorded as off-balance sheet items for following up and collection. The amounts collected from the debts previously written-off are recognised in the consolidated statement of income upon receipt.

**(v) Classification and allowance for off-balance sheet commitments**

According to Circular 11, the classification of off-balance sheet credit commitments is conducted solely for risk management, credit quality supervision of credit granting activities. No allowance is made for off-balance sheet credit commitments, except where VIB has been required to made payment under the guarantee contract, in which case the payment on behalf is classified and allowance is made for in accordance with the accounting policy as described in Note 3(f).

**(g) Debt purchases**

**(i) Debt purchases**

Debts purchased are stated at contractual purchase price on statement of financial position and recorded off-balance sheet at their principal plus pre-acquisition interest. Interest income is recognised in the consolidated statement of income on an accrual basis, except for debt purchases classified from Group 2 to Group 5 as presented in Note 3(f). The interest arising before VIB purchases the debts which is deducted from the purchase price.

(ii) ***Allowance for debt purchases***

Purchased debts are classified in the debt groups which are not lower than those classified by the seller before purchase in accordance with Circular No.11 and allowance is made for them as described in Note 3(f).

(h) **Investment securities**

(i) ***Classification***

Investment securities include available-for-sale investment securities and held-to-maturity investment securities. VIB classifies investment securities at the date of acquisition as available-for-sale investment securities and held-to-maturity investment securities. According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 of the SBV, VIB is allowed to reclassify investment securities for once at maximum after initial classification at the date of acquisition.

(ii) ***Recognition***

VIB recognises investment securities on the date when it becomes a party to the contractual provision of these securities (trade date accounting).

(iii) ***Measurement***

***Debts securities***

Available-for-sale debt securities and held-to-maturity debt securities are initially recorded at cost, including purchase cost plus directly attributable costs such as brokerage and transaction fees, information fees, taxes, levies and bank charges (if any). They are subsequently recognised at amortised cost (affected by premium/discount amortisation) less allowance for diminution in value (including allowance for credit risks and allowance for diminution in the value of securities). Premium and discounts arising from purchases of debt securities are amortised to the consolidated statement of income on a straight-line basis over the period from acquisition date to maturity date.

Available-for-sale debt securities, excluding government bonds, government-guaranteed bonds, and local government bonds are measured at cost less allowance for diminution in value which is determined by reference to latest transaction price at Stock Exchange within 10 days up to the end of the accounting period. Where there is no transaction within 10 days up to the end of the accounting period, VIB shall not provide allowance for such debt securities.

Available-for-sale debt securities and held-to-maturity debt securities of unlisted corporate bonds are recognised at cost less allowance for credit risks according to Circular 11 as described in Note 3(f).

Interest income after purchase of available-for-sale debt securities and held-to-maturity debt securities is recognised in the consolidated statement of income on an accrual basis. Interest accrued before VIB purchases will be deducted from the original price when received.

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

(i) **Long-term investments**

(i) ***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 allowance for diminution in the value of investments.

(ii) ***Allowance for diminution in value of long-term investments***

Allowance for diminution in value of other long-term investments is made if the investee has suffered a loss which may cause VIB to lose their invested capital, unless there is evidence that the value of the investment has not been diminished. Allowance for diminution in value is determined as the total actual contributed capital of parties to the investee less (-) the actual owner's equity multiplied (x) by the VIB's ownership percentage in the investee.

The allowance is reversed if the recoverable amounts are subsequently increased after the allowance was recognised. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

(j) **Tangible fixed assets**

(i) ***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. Expenditure incurred after the tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated statement of income during the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of 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.

(ii) ***Depreciation***

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

- Buildings and structures	5 - 25 years
- Machinery and equipment	3 - 10 years
- Means of transportation	6 - 8 years
- Office equipment	3 - 10 years
- Others	3 - 8 years



(k) **Intangible fixed assets**

(i) **Software**

The cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software costs are amortised on a straight-line basis ranging from 3 to 8 years.

(ii) **Other intangible fixed assets**

Other intangible fixed assets are stated at cost less accumulated amortisation. Amortisation is computed on a straight-line basis over 3 to 8 years.

(l) **Investment property**

(i) **Cost**

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

(ii) **Depreciation**

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

- Buildings	<u>5 - 50 years</u>
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(m) **Other assets**

(i) **Construction in progress**

Construction in progress represents the costs of purchasing, constructing fixed assets and upgrading of software which have not been fully completed. No depreciation is provided for construction during the period of constructing or upgrading.

(ii) **Foreclosed assets**

Foreclosed assets are those of which the ownership was transferred to VIB and awaiting for settlement. For foreclosed assets of which the ownership has not been transferred to VIB, VIB records as off-balance sheet items.

(iii) **Receivables from trade finance activities**

Receivables from trade finance activities represent other assets exposing to credit risk and are stated at cost less allowance for credit losses, if any. VIB classifies and makes allowance for these receivables in accordance with the accounting policy as described in Note 3(f).

(iv) **Other assets**

Other assets, except receivables from credit activities, are stated at cost less allowances for other on-balance sheet assets.

Allowance for losses of assets are made based on the overdue status of debts or expected losses may occur in case undue debt but an economic organisation is bankrupted or liquidated; or debtor is missing, running away, being prosecuted, in prison, under a trial or pending execution of sentences or deceased. The allowance expenses are recorded as operating expenses during the period.

For other assets that are overdue debts, VIB makes allowance for losses using the allowance rates that are applied for overdue status as follows:

Overdue period	Allowance rate
- From more than six (06) months up to less than one (01) year	30%
- From one (01) year up to less than two (02) years	50%
- From two (02) years up to less than three (03) years	70%
- Three (03) years or more	100%

Allowance for losses on other assets are made for undue debts is the expected losses determined by VIB after considering to the recovery of these debts.

(n) **Provision**

A provision is recognised if, as a result of a past event, VIB 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. Provision is 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.

(o) **Derivative financial instruments**

(i) **Currency forward and swap contracts**

VIB involves in currency forward contracts and currency swap contracts to facilitate customers to transfer, adjust or reduce foreign exchange risks and other market risks, and also for the business purposes of VIB.

Currency forward contracts are commitments to pay in cash on a future date based on pre-determined difference between exchange rates, calculated on a nominal original amount. The forwards contracts are recorded at nominal value at the transaction date and are revalued at effective exchange rate at the reporting date and are stated at net value in the consolidated statement of financial position. Differences upon revaluation at the end of the period are recognised in the "Foreign exchange differences" account in the consolidated statement of financial position each month and are transferred to the consolidated statement of income at the end of the accounting period or upon maturity. Differences between the amounts in VND of the foreign currency amounts which are committed to buy/sell at forward rate and spot rate are recognised in the consolidated statement of income on a straight-line basis over the term of the contracts.

The currency swap contracts are commitments to buy or sell the same amount of foreign currency (only two currencies are used in the transaction) with the same partner, in which there is a transaction with the spot payment term and a transaction with a payment period determined in the future and the rate of the two transactions is determined at the time of determination of spot transaction. Premiums/discounts arising from the difference of the spot exchange rate at the effective date of the contracts and the forward exchange rate will be recognised immediately on the effective date of the contracts as an asset if they are positive or as a liability if they are negative in the consolidated statement of financial position. This difference is amortised to the consolidated statement of income on a straight-line basis over the term of the swap contracts.

(ii) **Interest rate swap contracts**

Interest swap contracts are commitments to settle the interest amount based on floating or fixed interest rates over the notional principal amounts. The contract value in basic interest rate swaps of the same currency is not recognised in the consolidated statement of financial position. For two-currency-interest-rate swap contracts with nominal principal swap, the contract value is recognized in the consolidated statement of financial position. Income earned and expenses incurred are recognised in the consolidated statement of income on an accrual basis.

(p) **Deposits and loans from other credit institutions**

Deposits and loans from other credit institutions are stated at their cost.

(q) **Deposits from customers**

Deposits from customers are stated at their cost.

(r) **Entrustment and entrusted funds**

Entrusted funds received by VIB that suffer risks are donations, entrusted investments, entrusted loans to be used for predetermined purposes. VIB is responsible for repayment of such funds when they are due. VIB recognises the funds received as donation or entrusted investment at cost, and recognises the investments and loans in the consolidated financial position of VIB.

(s) **Valuable papers issued**

Valuable papers issued are recorded at cost less amortized premiums and discounts. Costs of valuable papers issued include the proceeds from issuance minus directly attributable expenses from issuance.

(t) **Other payables**

Other payables are stated at their cost.

(u) **Severance allowance**

Under the Vietnamese Labour Code, when an employee who has work for VIB for 12 months or more (“the eligible employees”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employee’s compensation at termination. Before 2012, provision for severance allowance has been provided based on employees’ years of service and their average salary for the six-month period prior to the end of the accounting period. For the purpose of determining the number of years of service by an employee, the period for which the employee participated in and contributed to unemployment insurance in accordance with prevailing laws and regulations and the period for which severance allowance has been paid by VIB are excluded.

On 24 October 2012, the Ministry of Finance issued Circular No. 180/2012/TT-BTC (“Circular 180”) guiding the financial handling of unemployment allowance for employees at enterprises. This Circular stipulates that when preparing the 2012 financial statements, if the enterprise’s unemployment fund remains balance, the enterprise must record other income increases in 2012 and must not transfer the balance to use the fund next year. Accordingly, VIB has reversed the balance of the severance allowance provision. This change in accounting policy has been applied prospectively since 2012.

Pursuant to Law on Social Insurance, effective from 1 January 2009, VIB and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The unemployment insurance paid by VIB for the employee’s working time is recorded as an expense in the consolidated statement of income when incurred. With the implementation of the unemployment insurance scheme, VIB is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees at the end of the period will be determined based on the eligible employees’ years of service to 31 December 2008 and their average salary for the six-month period prior to the termination date.

(v) **Share capital**

(i) **Ordinary shares**

Ordinary shares are classified as equity and recognised at par value. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from share premium in equity.

(ii) **Share premium**

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

(iii) **Treasury shares**

Treasury shares are recognised only in respect of repurchased shares which are aggregated fractions of share arising when the company issues shares to pay dividends or issues shares from equity reserves in accordance with an approved issuance plan, or repurchased fractional-lots of shares as requested by the shareholders. Odd shares represent the share capital formed by combining the fractional shares divided proportionally to investors. In all other cases, when shares recognised as equity are repurchased, their par value amount is recognised as a reduction to share capital. The difference between the par value and the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is included in share premium.

(w) **Reserves and funds**

(i) ***Reserves and funds of the Bank***

According to Decree No. 93/2017/ND-CP dated 7 August 2017 issued by the Government of Vietnam providing regulations on the financial regime applicable to credit institutions, the Bank is required to make the following reserves before distribution of profits before consolidation:

	Annual allocation	Maximum balance
Reserve to supplement charter capital	5% of profit after tax (before consolidation)	100% of share capital
Financial reserve	10% of profit after tax (before consolidation)	Not stipulated

The purpose of financial reserve is to cover the remaining losses to property that occurred in the course of business after such losses being compensated by the organisations, individuals causing the loss, indemnity and allowance; and to use for other purposes in accordance with the laws. The statutory reserves are non-distributable and are classified as part of equity.

Other equity funds are allocated from profit after tax. The allocation from profit after tax and the use of these funds and reserves must be approved by the General Meeting of Shareholders of the Bank.

(ii) ***Reserves and funds of the subsidiary***

According to Circular No. 27/2002/TT-BTC dated 22 March 2002 of the Ministry of Finance, Vietnam International Commercial Joint Stock Bank – Asset Management Company Limited is required to provide the reserves and funds in a similar way to the Bank's.

(x) **Bonus and welfare fund**

Bonus and welfare fund is allocated from profit after tax in accordance with the resolution of the Annual General Meeting and is used primarily to make payments to the VIB's employees.

(y) **Revenue**

(i) ***Interest income***

Interest income is recognised in the consolidated statement of income on an accrual basis, except for interest on loans classified in Group 2 to Group 5 described in Note 3(f) and debts kept unchanged in Group 1 as a result of adoption of Circular 01, Circular 03, Circular 14, Circular 02 and Circular 06 as described in Note 3(f) which is recognised upon receipt. When loans are classified in Group 2 to Group 5 as described in Note 3(f) or kept unchanged in Group 1 as a result of adoption of Circular 01, Circular 03, Circular 14, Circular 02 and Circular 06 as described in Note 3(f), interest receivable will be derecognised and recorded as off-balance sheet items. Interest on these loans are recognised in the consolidated statement of income upon receipt.

(ii) ***Fee and commission income***

Fees and commission income are recognised in the consolidated statement of income upon completion of the services rendered.

(iii) **Income from investing activities**

Income from securities trading is recognised in the consolidated statement of income upon receipt of the order matching notice from Vietnam Securities Depository and Clearing Corporation (formerly Vietnam Securities Depository) (for listed securities) and completion of the assets transfer agreement (for unlisted securities) and is determined based on the differences between selling price and weighted average cost of securities sold.

Dividends receivable in cash is recognised in the consolidated statement of income when VIB's right to receive payment is established. Dividends received in the form of shares, bonus shares and rights to purchase shares given to existing shareholders, shares distributed from retained earnings are not recognised as an increase in investment and such dividend income is not recognised in the consolidated statement of income. When share dividends are received, VIB only recognise an increase in the number of shares in the notes to the consolidated financial statements. Dividends received which are attributable to the period before acquisition date are deducted against the carrying amount of the investment.

(z) **Interest expenses**

Interest expenses are recognised in the consolidated statement of income on an accrual basis.

(aa) **Fee and commission expenses**

Fee and commission expenses are recognised in the consolidated statement of income when these expenses are incurred.

(bb) **Operating lease payments**

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense, over the term of the lease.

(cc) **Taxation**

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

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

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

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

**(dd) Related parties**

Parties are considered to be related to VIB if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where VIB and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

**(ee) Segment reporting**

A segment means a VIB's individually identifiable component involved in the supply of related products or services (segmented by business), or the provision of products or services in a particular economic environment (segment divided by geographic area), each of these sectors bears different risks and benefits from the others. VIB's primary template for segment reporting is disaggregated by geographic area. VIB's secondary template for segment reporting is disaggregated by business sector. Currently, VIB has a banking business that includes regular trading and provision of the following operations: receiving deposits, granting credit, providing payment services via accounts and other commercial banking activities. Accordingly, the Board of Management assessed that VIB has only one business segment, banking operations, and VIB's risks and profitability ratios are represented in this single business line. Therefore, VIB is not required to present segment reports in detail by business category.

**(ff) Earnings per share**

VIB presents basic earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of VIB (after deducting the amount allocated to the bonus and welfare fund for the accounting period) by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options. During the period, VIB had no potential ordinary shares and therefore does not present diluted EPS.

**(gg) Commitments and contingent liabilities**

At any point of time, VIB has outstanding credit commitments. These commitments are approved and unutilised loans and overdraft facilities. VIB also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. Many of the contingent liabilities and commitments will expire without any advanced payment, in whole or in part. Therefore, these commitments and contingent liabilities do not represent expected future cash flows.

**(hh) Nil balances**

Items or balances required by Circular No. 49/2014/TT-NHNN issued by the SBV on 31 December 2014 ("Circular 49") and Circular No. 27/2021/TT-NHNN issued by the SBV on 31 December 2021 on amending chart of accounts of credit institutions enclosed with Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 and regulations on financial statement of credit institutions enclosed with Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 of Governor of State Bank of Vietnam that are not shown in these consolidated interim financial statements indicate nil balances.

(ii) **Financial instruments**

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

(i) **Financial assets**

*Financial assets at fair value through profit or loss*

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

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

*Held-to-maturity investments*

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

- financial assets that, upon initial recognition, were categorised by VIB as financial assets at fair value through profit or loss;
- financial assets already categorised by VIB as assets that available for sale; or
- financial assets that meet the definitions of loans and receivables.

*Loans and receivables*

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

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



*Available-for-sale financial assets*

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

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

**(ii) Financial liabilities**

*Financial liabilities at fair value through profit or loss*

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

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

*Financial liabilities carried at amortised cost*

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

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

**(jj) Comparative information**

Comparative information in these consolidated financial statements is presented as corresponding figures. Under this method, comparative information for the prior period are included as an integral part of the current period financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current period. Accordingly, the comparative information included in these consolidated financial statements is not intended to present VIB's financial position, results of operation or cash flows for the prior period.

#### 4. Cash and gold on hand

	30/6/2024 VND million	31/12/2023 VND million
Cash on hand in VND	1,282,838	1,222,250
Cash on hand in foreign currencies	420,936	458,801
Gold	94	20
	<u>1,703,868</u>	<u>1,681,071</u>

#### 5. Balances with the State Bank of Vietnam

Balances with the SBV consist of a current account and a compulsory reserve requirement.

	30/6/2024 VND million	31/12/2023 VND million
Balances with the State Bank of Vietnam		
- Current account and compulsory reserve in VND	5,437,930	7,783,418
- Current account and compulsory reserve in other foreign currencies	392,042	434,349
	<u>5,829,972</u>	<u>8,217,767</u>

Under SBV's regulations relating to the compulsory reserve, banks are permitted to maintain a floating balance for the compulsory reserve requirement ("CRR"). The monthly average balance of the reserves must not be less than CRR rates multiplied by the preceding month's average balances of deposits at the Bank as follows:

##### Deposits in scope

Preceding month average balances of:

	CRR rates	
	30/6/2024	31/12/2023
- Demand deposits and deposits with term of less than 12 months in VND	3%	3%
- Deposits in VND with term of and more than 12 months	1%	1%
- Demand deposits and deposits with term of less than 12 months in foreign currencies	8%	8%
- Deposits in foreign currencies with term of and more than 12 months	6%	6%
- Deposits in foreign currencies with foreign credit institutions	1%	1%

Period/year-end annual interest rates were as follows:

	30/6/2024	31/12/2023
Deposits in VND within the CRR	0.5%	0.5%
Deposits in USD within the CRR	0.0%	0.0%
Deposits in VND beyond the CRR	0.0%	0.0%
Deposits in USD beyond the CRR	0.0%	0.0%

## 6. Balances with and loans to other CIs

	30/6/2024 VND million	31/12/2023 VND million
<b>Current accounts</b>		
Current accounts in VND	339,242	387,489
Current accounts in foreign currencies	404,032	464,670
<b>Term deposits</b>		
Term deposits in VND	61,300,000	55,530,000
	62,043,274	56,382,159
<b>Loans to other CIs</b>		
Loans in VND	50,972,520	11,747,991
<i>In which: discount, re-discount</i>	38,155,962	1,956,911
Loans in foreign currencies	1,439,869	67,424
	52,412,389	11,815,415
	114,455,663	68,197,574

Period/year-end annual interest rates were as follows:

	30/6/2024	31/12/2023
Demand deposits in VND	0.0% - 0.5%	0.0% - 0.1%
Demand deposits in foreign currencies	0.0% - 3.1%	0.0% - 3.1%
Term deposits in VND	4.1% - 4.8%	1.1% - 4.6%
Loans in VND	3.5% - 8.0%	2.3% - 10.1%
Loans in foreign currencies	6.1% - 6.4%	6.1%

Term deposits with and loans to other CIs by groups are presented in Note 44(b).

## 7. Derivative financial instruments and other financial assets/(liabilities)

Details of derivative financial instruments and other financial assets/(liabilities) at the end of the period/year were as follows:

	Total contract nominal value (at exchange rate of the effective date of the contract)	Total carrying value (at exchange rate of reporting date)
	VND million	Assets/(liabilities) VND million
<b>As at 30 June 2024</b>		
Currency forward contracts	2,088,996	39
Currency swap contracts	176,131,029	(656,292)
Interest rate swap contracts	4,239,604	(13,715)
	182,459,629	(669,968)
<b>As at 31 December 2023</b>		
Currency forward contracts	3,453,760	(726)
Currency swap contracts	111,453,064	141,488
Interest rate swap contracts	3,354,490	15,959
	118,261,314	156,721

## 8. Loans to customers

	30/6/2024 VND million	31/12/2023 VND million
Loans to local economic entities and individuals	278,728,060	266,318,277
Loans granted from borrowed and entrusted funds	5,789	6,886
Loans on discounting negotiable instruments and valuable papers	172,188	20,382
	278,906,037	266,345,545

Loan portfolio by loan group is presented in Note 44(b).

Loan portfolio by original terms was as follows:

	30/6/2024 VND million	31/12/2023 VND million
Short term	113,738,803	102,695,749
Medium term	16,521,480	15,123,396
Long term	148,645,754	148,526,400
	<u>278,906,037</u>	<u>266,345,545</u>

Loan portfolio by remaining terms was as follows (\*):

	30/6/2024 VND million	31/12/2023 VND million
Short term	127,849,897	118,703,206
Medium term	57,859,231	56,876,202
Long term	87,262,119	87,359,197
Overdue (**)	5,934,790	3,406,940
	<u>278,906,037</u>	<u>266,345,545</u>

(\*) The remaining term of the loan is calculated based on the remaining term of the payment schedule of each loan.

(\*\*) Overdue debt is the principal balance that a customer fails to pay on time as agreed and is not approved by the credit institution to restructure the payment term specified in Circular 39/2016/TT-NHNN.

Loan portfolio by customer type and ownership was as follows:

	30/6/2024 VND million	%	31/12/2023 VND million	%
State-owned enterprises	714,489	0.26	628,996	0.24
One-member limited liability companies with 100% of state-owned capital	2,300,491	0.82	2,226,272	0.84
Multi-member limited liability companies in which State holds more than 50% of charter capital, or has the governing power	-	-	166,921	0.06
Other limited liability companies	11,308,319	4.05	8,855,897	3.32
Joint stock companies in which State holds more than 50% of charter capital or of voting share, or has the governing power	3,034,770	1.09	2,250,448	0.84
Other joint-stock companies	30,999,793	11.11	26,510,235	9.95
Private enterprises	-	-	33	0.00
Foreign-invested enterprises	2,959,030	1.06	905,449	0.34
Household business, individual	227,588,835	81.61	224,800,919	84.41
Others	310	0.00	375	0.00
	<u>278,906,037</u>	<u>100.00</u>	<u>266,345,545</u>	<u>100.00</u>

**Vietnam International Commercial Joint Stock Bank**  
**1<sup>st</sup> floor (ground floor) and 2<sup>nd</sup> floor of Sailing Tower, 111A Pasteur**  
**Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam**  
**Notes to the consolidated interim financial statements for**  
**quarter II of 2024 (continued)**

**Form B05a/TCTD-HN**  
*(Issued under Circular*  
*No. 49/2014/TT-NHNN*  
*dated 31 December 2014*  
*of the State Bank of Vietnam)*

Loan portfolio by industry sectors was as follows:

	<b>30/6/2024</b>		<b>31/12/2023</b>	
	<b>VND million</b>	<b>%</b>	<b>VND million</b>	<b>%</b>
Agriculture, forestry and aquaculture	611,493	0.22	552,157	0.21
Mining	690,019	0.25	1,191,649	0.45
Manufacturing and processing	15,925,759	5.71	13,400,504	5.03
Production and distribution of electricity, gas, hot water, steam and air-conditioning	3,254,057	1.17	2,639,418	0.99
Water supply and garbage and sewage treatment and management	118,277	0.04	80,133	0.03
Construction	2,175,980	0.78	1,958,665	0.74
Wholesale and retail trade; repair of motor, vehicles, motor cycles	9,599,523	3.44	9,155,453	3.44
Transportation and warehousing	2,407,500	0.86	1,932,668	0.73
Hospitality services	796,612	0.29	1,198,526	0.45
Information and communications	415,771	0.15	243,331	0.09
Banking, finance and insurance	10,630,500	3.81	9,732,793	3.65
Real estates trading	6,164,759	2.21	1,673,708	0.63
Science and technology	419,532	0.15	547,459	0.21
Administrative activities and supporting services	112,095	0.04	160,467	0.06
Education and training	746,342	0.27	362,069	0.14
Health care and social work	37,770	0.01	39,999	0.02
Arts, entertainment and recreation	8,396	0.00	25,504	0.01
Other services	152,916	0.05	277,370	0.10
Working in the households, producing household self consumed products and services	224,638,736	80.55	221,173,672	83.02
	<b>278,906,037</b>	<b>100.00</b>	<b>266,345,545</b>	<b>100.00</b>

Period/year-end annual interest rates were as follows:

	<b>30/6/2024</b>	<b>31/12/2023</b>
Loan in VND	0.3% - 15.5%	0.5% - 16.1%
Loan in foreign currencies	3.5% - 8.6%	3.5% - 7.5%

## 9. Allowance for loans to customers

Allowance for loans to customers consists of:

	30/6/2024 VND million	31/12/2023 VND million
General allowance (a)	2,060,254	1,981,106
Specific allowance (b)	2,849,588	2,289,424
	<u>4,909,842</u>	<u>4,270,530</u>

- (a) Movements in general allowance for loans to customers for the period/year were as follows:

	Six-month period ended 30/6/2024 VND million	Year ended 31/12/2023 VND million
Opening balance	1,981,106	1,721,307
Allowance made during the period/year	79,148	259,799
Closing balance	<u>2,060,254</u>	<u>1,981,106</u>

- (b) Movements in specific allowance for loans to customers for the period/year were as follows:

	Six-month period ended 30/6/2024 VND million	Year ended 31/12/2023 VND million
Opening balance	2,289,424	1,343,466
Allowance made during the period/year	2,006,764	4,555,758
Allowance used during the period/year	(1,446,600)	(3,609,800)
Closing balance	<u>2,849,588</u>	<u>2,289,424</u>

## 10. Debt purchases

As at 4 September 2017, VIB received outstanding loans from Commonwealth Bank of Australia, Ho Chi Minh City branch under a debt-to-equity transfer agreement with Commonwealth Bank of Australia. The value of debts purchased as at 4 September 2017 was as follows:

	4/9/2017 VND million
Debts purchased in VND	1,147,463
Accrued interest	3,426
Allowance for debts purchased	(18,940)
	<hr/> 1,131,949 <hr/>

Details of VIB's debt purchased activities as at period/year-end were as follows:

	30/6/2024 VND million	31/12/2023 VND million
Debts purchased in VND	10,628	16,495
Allowance for debts purchased	(81)	(125)
	<hr/> 10,547 <hr/>	<hr/> 16,370 <hr/>

Details of the principal and interest of the debts purchased as at period/year-end were as follows:

	30/6/2024 VND million	31/12/2023 VND million
Principal of the debts purchased	10,811	16,679
Interest of the debts purchased	58	105
	<hr/> 10,869 <hr/>	<hr/> 16,784 <hr/>

Loan portfolio by loan group is presented in Note 44(b).



## 11. Available-for-sale investment securities

	30/6/2024 VND million	31/12/2023 VND million
<b>Debt securities</b>		
- Government bonds	1,537,274	12,262,480
- Bonds issued by other local CIs	13,249,819	18,250,000
- Certificates of deposit issued by other local CIs	13,385,628	29,718,798
- Bonds issued by local economic entities	550,000	725,000
	<u>28,722,721</u>	<u>60,956,278</u>

Available-for-sale debt investment securities by groups are presented in Note 44(b).

## 12. Held-to-maturity investment securities

	30/6/2024 VND million	31/12/2023 VND million
Bonds issued by Vietnam Debt and Asset Trading Corporation	<u>42,380</u>	<u>42,380</u>

Bonds issued by Vietnam Debt and Asset Trading Corporation are convertible bonds for loans to Vietnam Shipbuilding Industry Corporation guaranteed by Government, with the term of 10 years from 2013 to 2023, and bear annual interest rate of 8.9% per annum. The maturity of the bond was on 12 September 2023.

Held-to-maturity investment securities by groups are presented in Note 44(b).

## 13. Allowance for investment securities

	30/6/2024 VND million	31/12/2023 VND million
Allowance for available-for-sale investment securities (a)	1,500	1,500
Allowance for held-to-maturity investment securities (b)	21,508	8,794
	<u>23,008</u>	<u>10,294</u>

(a) Allowance for available-for-sale investment securities

	30/6/2024 VND million	31/12/2023 VND million
General allowance for available-for-sale investment securities (i)	1,500	1,500

(i) Movements in general allowance for available-for-sale investment securities for the period/year were as follows:

	Six-month period ended 30/6/2024 VND million	Year ended 31/12/2023 VND million
Opening balance	1,500	13,725
Allowance reversed during the period/year	-	(12,225)
Closing balance	1,500	1,500

(b) Allowance for held-to-maturity investment securities

	30/6/2024 VND million	31/12/2023 VND million
General allowance for held-to-maturity investment securities	318	318
Specific allowance for held-to-maturity investment securities (i)	21,190	8,476
	21,508	8,794

(i) Movements in specific allowance for held-to-maturity investment securities for the period/year were as follows:

	Six-month period ended 30/6/2024 VND million	Year ended 31/12/2023 VND million
Opening balance	8,476	-
Allowance made during the period/year	12,714	8,476
Closing balance	21,190	8,476

#### 14. Long-term investments

	30/6/2024 VND million	31/12/2023 VND million
Other long-term investments (a)	69,667	69,667
Allowance for diminution in the value of long-term investments	(210)	(210)
	<u>69,457</u>	<u>69,457</u>

(a) Details of other long-term investments at the period/year-end were as follows:

	30/6/2024 VND million	31/12/2023 VND million
Investments in economic entities	<u>69,667</u>	<u>69,667</u>

## 15. Tangible fixed assets

Six-month period ended 30 June 2024

	Buildings and structures VND million	Machinery and equipment VND million	Means of transportation VND million	Office equipment VND million	Others VND million	Total VND million
<b>Cost</b>						
Opening balance	106,755	690,197	83,124	128,413	111,183	1,119,672
Additions	1,804	47,520	15,618	10,830	1,221	76,993
Disposals	(900)	(838)	-	(516)	(1,367)	(3,621)
Closing balance	107,659	736,879	98,742	138,727	111,037	1,193,044
<b>Accumulated depreciation</b>						
Opening balance	61,111	376,693	36,966	81,966	96,227	652,963
Charge for the period	3,411	32,435	5,253	12,176	3,732	57,007
Disposals	(900)	(838)	-	(485)	(1,367)	(3,590)
Closing balance	63,622	408,290	42,219	93,657	98,592	706,380
<b>Net book value</b>						
Opening balance	45,644	313,504	46,158	46,447	14,956	466,709
Closing balance	44,037	328,589	56,523	45,070	12,445	486,664

*Year ended 31 December 2023*

	Buildings and structures VND million	Machinery and equipment VND million	Means of transportation VND million	Office equipment VND million	Others VND million	Total VND million
<b>Cost</b>						
Opening balance	107,404	583,608	73,821	115,285	113,170	993,288
Additions	1,794	120,571	20,969	15,082	3,189	161,605
Disposals	(2,443)	(13,982)	(11,666)	(1,954)	(5,176)	(35,221)
Closing balance	106,755	690,197	83,124	128,413	111,183	1,119,672
<b>Accumulated depreciation</b>						
Opening balance	56,648	332,694	41,011	61,780	93,390	585,523
Charge for the year	6,892	57,933	7,621	21,376	8,009	101,831
Disposals	(2,429)	(13,934)	(11,666)	(1,190)	(5,172)	(34,391)
Closing balance	61,111	376,693	36,966	81,966	96,227	652,963
<b>Net book value</b>						
Opening balance	50,756	250,914	32,810	53,505	19,780	407,765
Closing balance	45,644	313,504	46,158	46,447	14,956	466,709

Included in tangible fixed assets were assets costing VND387,175 million which were fully depreciated as of 30 June 2024 (31/12/2023: VND360,569 million), but which are still in active use.

## 16. Intangible fixed assets

*Six-month period ended 30 June 2024*

	Software VND million	Others VND million	Total VND million
<b>Cost</b>			
Opening balance	687,609	7,246	694,855
Additions	49,719	-	49,719
Closing balance	737,328	7,246	744,574
<b>Accumulated amortisation</b>			
Opening balance	398,151	7,246	405,397
Charge for the period	35,258	-	35,258
Closing balance	433,409	7,246	440,655
<b>Net book value</b>			
Opening balance	289,458	-	289,458
Closing balance	303,919	-	303,919

*Year ended 31 December 2023*

	Software VND million	Others VND million	Total VND million
<b>Cost</b>			
Opening balance	626,078	7,246	633,324
Additions	61,531	-	61,531
Closing balance	687,609	7,246	694,855
<b>Accumulated amortisation</b>			
Opening balance	334,161	7,243	341,404
Charge for the year	63,990	3	63,993
Closing balance	398,151	7,246	405,397
<b>Net book value</b>			
Opening balance	291,917	3	291,920
Closing balance	289,458	-	289,458

Included in intangible fixed assets were assets costing VND216,245 million which were fully depreciated as at 30 June 2024 (31/12/2023: VND174,438 million), but which are still in active use.

## 17. Other assets

	30/6/2024 VND million	31/12/2023 VND million
Receivables	1,692,964	3,003,801
- Internal receivables	302,287	230,388
- External receivables	1,390,677	2,773,413
<i>Receivables from trade finance activities</i>	75,875	1,475,198
<i>Receivables from insurance commission</i>	208,149	129,818
<i>Collaterals settlement advanced expenses</i>	8,899	9,488
<i>Receivables from the State Budget</i>	34,940	35,746
<i>Other external receivables</i>	595,991	618,706
<i>Fixed assets acquisition and construction in progress</i>	466,823	504,457
Interest and fee receivables (a)	2,622,747	3,663,279
Other assets (b)	1,046,129	1,064,350
Allowance for other on-balance sheet assets (*)	(569)	(11,064)
	<hr/> 5,361,271	<hr/> 7,720,366

(\*) This is the general allowance for receivables from trade finance activities in accordance with Circular 11.

### (a) Interest and fee receivables

	30/6/2024 VND million	31/12/2023 VND million
Interest receivable from deposits	50,322	20,488
Interest receivable from investment securities	794,939	1,927,743
Interest receivable from credit activities	1,593,341	1,571,072
Interest receivable from derivative financial instruments	184,145	143,976
	<hr/> 2,622,747	<hr/> 3,663,279

### (b) Other assets

	30/6/2024 VND million	31/12/2023 VND million
Materials	18,440	22,389
Foreclosed assets transferred to the CIs awaiting for resolution	62,447	49,240
Prepaid expenses	892,213	958,383
Other assets	73,029	34,338
	<hr/> 1,046,129	<hr/> 1,064,350

## 18. Deposits and borrowings from other CIs

	30/6/2024 VND million	31/12/2023 VND million
<b>Demand deposits from other CIs</b>		
In VND	6,243	5,535
In foreign currencies	36	36
<b>Term deposits from other CIs</b>		
In VND	87,640,000	66,820,000
In foreign currencies	8,085,246	7,930,000
	<u>95,731,525</u>	<u>74,755,571</u>
<b>Borrowings from other CIs</b>		
In VND	717,351	1,016,402
<i>In which: discount, re-discount</i>	495,203	-
In foreign currencies	20,827,857	22,867,748
	<u>21,545,208</u>	<u>23,884,150</u>
	<u>117,276,733</u>	<u>98,639,721</u>
Period/year-end annual interest rates were as follows:		
	30/6/2024	31/12/2023
Demand deposits in VND	0.0% - 0.1%	0.0% - 0.1%
Demand deposits in foreign currencies	0.0% - 0.1%	0.0% - 0.1%
Term deposits in VND	3.8% - 5.3%	0.5% - 4.6%
Term deposits in foreign currencies	5.3% - 5.5%	5.1% - 5.3%
Borrowings in VND	4.4% - 5.2%	1.9% - 6.4%
Borrowings in foreign currencies	0.8% - 7.9%	0.8% - 7.8%



## 19. Deposits from customers

	30/6/2024 VND million	31/12/2023 VND million
<b>Demand deposits</b>		
Demand deposits in VND	33,894,223	28,646,354
Demand saving deposits in VND	86,324	101,556
Demand deposits in foreign currencies	2,330,782	2,480,934
Demand saving deposits in foreign currencies	738	892
<b>Term deposits</b>		
Term deposits in VND	91,038,542	89,794,866
Term saving deposits in VND	109,346,900	107,818,636
Term deposits in foreign currencies	249,272	160,733
Term saving deposits in foreign currencies	10,163,878	7,183,702
<b>Deposits for special purpose</b>		
Deposits for special purposes in VND	297	6,441
Deposits for special purpose in foreign currencies	123,522	49,466
<b>Margin deposits</b>		
Margin deposits in VND	392,473	325,706
Margin deposits in foreign currencies	2,825	7,980
	<b>247,629,776</b>	<b>236,577,266</b>

Deposits from customers by type of customers were as follows:

	30/6/2024 VND million	31/12/2023 VND million
Deposits from economic entities	71,131,171	66,242,581
Deposits from individuals and others	176,498,605	170,334,685
	<b>247,629,776</b>	<b>236,577,266</b>

Period/year-end annual interest rates were as follows:

	30/6/2024	31/12/2023
Demand deposits in VND	0.0% - 0.5%	0.0% - 0.5%
Demand deposits in foreign currencies	0.0%	0.0% - 0.5%
Demand saving deposits in VND	0.0% - 0.5%	0.0% - 0.5%
Demand saving deposits in foreign currencies	0.0%	0.0%
Term deposits in VND	0.1% - 10.1%	0.5% - 10.5%
Term deposits in foreign currencies	0.0% - 1.0%	0.0% - 0.1%
Term saving deposits in VND	0.3% - 11.1%	0.5% - 11.1%
Term saving deposits in foreign currencies	0.0% - 1.5%	0.0% - 1.0%

## 20. Borrowed and entrusted funds

	30/6/2024 VND million	31/12/2023 VND million
Promotion program for housing credit under Resolution No. 02/NQ-CP issued by the Government on 7 January 2013	6,090	6,930

Trust funds are entrusted funds received from the State Bank of Vietnam under the Housing Support Loan Program under Resolution No. 02/NQ-CP of the Government dated 7 January 2013 with a term from 1 to 5 years and bear annual interest rate of 3.3% per annum.

## 21. Valuable papers issued

	30/6/2024 VND million	31/12/2023 VND million
<b>Bonds</b>		
From 12 months up to less than 5 years	11,448,000	17,948,000
From 5 years and above	2,060,000	2,160,000
<b>Certificates of deposits</b>		
From 6 months to less than 12 months	-	3,000,500
From 12 months up to less than 5 years	2,200,000	500,010
From 5 years and above	286,695	288,426
	15,994,695	23,896,936

At 30 June 2024, certificates of deposits which bear annual interest at rates ranging from 4.6% per annum to 9.1% per annum and bonds which bear annual interest at rates ranging from 3.8% per annum to 8.0% per annum (31/12/2023: from 5.0% per annum to 9.1% per annum and from 3.3% per annum to 9.2% per annum, respectively).

## 22. Other liabilities

	30/6/2024 VND million	31/12/2023 VND million
Accrued interest and fee payables (a)	3,740,359	4,218,295
<b>Other payables and liabilities</b>	7,294,030	8,602,638
Internal payables	457,053	754,904
- Payables to employees	281,509	504,414
- Bonus and welfare fund	124,460	132,710
- Dividend payables	7,563	4,848
- Other internal payables	43,521	112,932
External payables	6,835,622	7,844,724
- Taxes and other payables to State Budget (Note 34)	911,814	1,531,098
- Amount kept for customers and awaiting settlement	5,495	7,749
- Payables to other CIs awaiting settlement	671,987	565,388
- Remittance payables awaiting settlement	901,754	1,188,228
- Others awaiting settlement	3,668,433	3,981,912
- Other payables	676,139	570,349
Unearned revenue	1,355	3,010
	11,034,389	12,820,933

### (a) Accrued interest and fee payables

	30/6/2024 VND million	31/12/2023 VND million
Interest payables for term deposits	1,785,953	1,907,461
Interest payables for saving deposits	1,137,485	1,595,094
Interest payables for valuable papers issued	545,614	363,183
Interest payables for borrowings from other CIs	147,047	157,318
Interest payables for derivative financial instruments	124,243	195,218
Interest payables for other borrowed and entrusted funds	17	21
	3,740,359	4,218,295

## 23. Capital and reserves

### (a) Changes in capital and reserves:

	Charter capital	Share premium	Investment and development fund	Financial reserve	Reserve to supplement charter capital	Foreign exchange difference	Retained profits	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
<b>Balance at 1/1/2024</b>	25,368,075	1,633	10,556	3,027,831	432,021	-	9,099,471	37,939,587
Net profit for the period	-	-	-	-	-	-	3,684,105	3,684,105
Appropriation to equity reserves	-	-	-	858,362	429,181	-	(1,287,543)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(100,000)	(100,000)
Dividend payment in the period (*)	-	-	-	-	-	-	(3,171,010)	(3,171,010)
Foreign exchange differences	-	-	-	-	-	(77)	-	(77)
Other movements	-	-	-	(1,554)	-	-	(622)	(2,176)
<b>Balance at 30/6/2024</b>	25,368,075	1,633	10,556	3,884,639	861,202	(77)	8,224,401	38,350,429
<b>Balance at 1/1/2023</b>	21,076,730	1,540	10,556	2,179,309	327,688	-	9,055,219	32,651,042
Net profit for the year	-	-	-	-	-	-	8,563,053	8,563,053
Appropriation to equity reserves	-	-	-	848,522	424,261	-	(1,272,783)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	(110,717)	(110,717)
Capital increase during the year by issuing bonus shares (**)	4,291,345	-	-	-	(319,928)	-	(3,971,417)	-
Sales of fractional share lots	-	93	-	-	-	-	-	93
Dividend payment in the year	-	-	-	-	-	-	(3,161,510)	(3,161,510)
Other movements	-	-	-	-	-	-	(2,374)	(2,374)
<b>Balance at 31/12/2023</b>	25,368,075	1,633	10,556	3,027,831	432,021	-	9,099,471	37,939,587

(\*) Based on the Resolution of the General Meeting of Shareholders No. 001.23.GSM dated 27 December 2023, the Resolution of the Board of Directors No. 001.24.BOD dated 4 January 2024, the Resolution of the General Meeting of Shareholders No. 1.001.24.GSM dated 2 April 2024, and the Resolution of the Board of Directors No. 017.24.BOD.1 dated 5 April 2024, the General Meeting of Shareholders of the Bank has decided to distribute a cash dividend equivalent to 12.5% of the charter capital.

(\*\*) These are non-cash transactions during the year.

(b) Share capital

	30/6/2024		31/12/2023	
	Number of shares	Par value VND million	Number of shares	Par value VND million
Shares registered for issuance	2,536,807,534	25,368,075	2,536,807,534	25,368,075
Shares issued to the public and in circulation				
Ordinary shares	2,536,807,534	25,368,075	2,536,807,534	25,368,075

All ordinary shares of the Bank have a par value of VND10,000. Each share is entitled to one vote at meetings of the Bank. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Bank's residual assets.

## 24. Basic earnings per share

(a) Net profit attributable to ordinary shareholders

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
Net profit for the period	3,684,105	4,513,511
Appropriation to bonus, welfare fund	(100,000)	(110,717)
Net profit attributable to ordinary shareholders	3,584,105	4,402,794

(b) Weighted average number of ordinary shares

	Six-month period ended 30/6/2024 Number of shares	Six-month period ended 30/6/2023 Number of shares
Issued ordinary shares at the beginning of the period	2,536,807,534	2,107,672,945
Effect of issuing bonus shares	-	429,134,589
Weighted average number of ordinary shares for the period	2,536,807,534	2,536,807,534

(c) Basic earnings per share

	Six-month period ended 30/6/2024 VND	Six-month period ended 30/6/2023 VND
Basic earnings per share (VND/share)	1,413	1,736

25. Cash and cash equivalents

	30/6/2024 VND million	30/6/2023 VND million
Cash and gold on hand	1,703,868	1,315,853
Balances with the SBV	5,829,972	6,340,776
Demand deposits at other CIs	743,274	879,504
Deposits at other CIs with original term not exceeding 3 months	61,300,000	55,930,400
	69,577,114	64,466,533

26. Net interest income

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
<b>Interest and similar income from</b>		
Loans to customers and other CIs	13,557,945	15,943,902
Investment securities	1,221,856	2,031,320
Balances with other CIs	538,121	486,296
Fees from guarantee services	19,099	23,391
	15,337,021	18,484,909
<b>Interest and similar expenses for</b>		
Deposits from customers and other CIs	(5,837,017)	(8,222,633)
Valuable papers issued	(575,089)	(809,181)
Borrowed and entrusted funds	(930,917)	(727,222)
Other credit activities	(12,564)	(19,905)
	(7,355,587)	(9,778,941)
Net interest income	7,981,434	8,705,968

## 27. Net fee and commission income

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
<b>Fee and commission income from</b>		
Settlement services	1,167,530	1,129,236
Insurance agent	264,481	315,310
Other services	821,551	624,741
	<u>2,253,562</u>	<u>2,069,287</u>
<b>Fees and commission expense for</b>		
Settlement services	(539,644)	(463,454)
Insurance agent	(28,685)	(23,995)
Brokerage services	(86,304)	(85,372)
Post and telecommunication	(73,380)	(86,720)
Trusted and agency activities	(12,876)	(152)
Other services	(17,270)	(5,091)
	<u>(758,159)</u>	<u>(664,784)</u>
Net fee and commission income	<u>1,495,403</u>	<u>1,404,503</u>

## 28. Net gain/(loss) from trading of foreign currencies

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
<b>Income from trading of foreign currencies</b>		
- Currency derivative instruments	999,256	320,119
- Trading of foreign currencies	179,877	210,772
	<u>1,179,133</u>	<u>530,891</u>
<b>Expenses for trading of foreign currencies</b>		
- Currency derivative instruments	(741,662)	(420,337)
- Trading of foreign currencies	(122,028)	(128,638)
	<u>(863,690)</u>	<u>(548,975)</u>
Net gain/(loss) from trading of foreign currencies	<u>315,443</u>	<u>(18,084)</u>

## 29. Net gain/(loss) from trading of investment securities

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
Gain from selling of investment securities	155,313	7,046
Loss from selling of investment securities	(105,667)	(27,518)
Reversal of general allowance for available-for-sale investment securities	-	6,188
Provision of specific allowance for held-to-maturity investment securities	(12,714)	-
Net gain/(loss) from trading of investment securities	36,932	(14,284)

## 30. Net income from other activities

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
<b>Income from other activities</b>		
Collection from bad debts previously written off	498,636	184,691
Income from interest rate swap contracts	54,947	13,257
Other income	15,448	40,668
	569,031	238,616
<b>Expenses for other activities</b>		
Expenses for interest rate swap contracts	(32,020)	(21,041)
Other expenses	(8,923)	(2,177)
	(40,943)	(23,218)
Net income from other activities	528,088	215,398



### 31. Operating expenses

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
Expenses for employees	2,420,566	2,035,121
Expenses on assets	696,103	637,066
<i>In which: Depreciation of fixed assets</i>	92,335	77,240
Expenses for operating management	411,684	325,983
Insurance fee for customers' deposits	118,662	98,166
Tax, duties and fees	30,267	26,921
	<u>3,677,282</u>	<u>3,123,257</u>

### 32. Allowance expenses for credit losses

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
Movements in allowance for loans to customers		
- Provision of general allowance	79,148	24,976
- Provision of specific allowance	2,006,764	1,473,891
Movements in allowance for loans to other CIs		
- Provision of specific allowance	-	42,832
Movements in allowance for receivables from debt purchase contracts		
- Reversal of allowance	(44)	(672)
Movements in allowance for receivables from trade finance activities		
- Reversal of general allowance	(10,495)	(12,688)
	<u>2,075,373</u>	<u>1,528,339</u>

### 33. Corporate income tax

(a) Recognition in the consolidated statement of income

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
Current corporate income tax expense	920,940	1,128,394

(b) Reconciliation of effective tax rate

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
Accounting profit before tax	4,605,045	5,641,905
Tax at VIB's tax rate	921,009	1,128,381
Effect of non-taxable income	(80)	-
Effect of other movements	11	13
	920,940	1,128,394

(c) Applicable tax rate

The common income tax rate applied to the Bank and its subsidiary is 20%. The corporate income tax computation is subject to review and agree by local tax authorities.

### 34. Obligations to the State Budget

*Six-month period ended 30 June 2024*

	1/1/2024 VND million	Incurred VND million	Paid/deducted VND million	30/6/2024 VND million
Corporate income tax	1,468,046	920,940	(1,518,496)	870,490
Value added tax	28,437	97,685	(109,163)	16,959
Other taxes	34,615	244,851	(255,101)	24,365
	1,531,098	1,263,476	(1,882,760)	911,814

Year ended 31 December 2023

	1/1/2023 VND million	Incurred VND million	Paid/deducted VND million	31/12/2023 VND million
Corporate income tax	1,656,035	2,140,892	(2,328,881)	1,468,046
Value added tax	12,849	615,285	(599,697)	28,437
Other taxes	24,071	349,787	(339,243)	34,615
	1,692,955	3,105,964	(3,267,821)	1,531,098

### 35. Employee benefits

	Six-month period ended 30/6/2024 VND million	Six-month period ended 30/6/2023 VND million
Average number of employees during the period (person)	11,959	10,345
Employees' income		
1. Salaries	1,768,847	1,351,799
2. Allowances and other income	448,925	627,477
Total income	2,217,772	1,979,276
Average monthly salary/person	24.65	21.78
Average monthly income/person	30.91	31.89

### 36. Assets and valuable papers for pledging/mortgaging or discount/re-discount

#### *Assets and valuable papers mortgaged, pledged, discounted and rediscounted to VIB*

From customers	30/6/2024 VND million	31/12/2023 VND million
Real estate	378,355,692	375,298,028
Motor vehicles	75,545,475	83,813,423
Machinery and equipment	35,183,547	20,441,178
Exploiting property rights	18,264,742	17,078,213
Guarantees	21,366,122	24,194,584
Gold, foreign currencies, valuable papers	21,085,725	25,034,399
Commodities	16,861,625	14,776,809
Other collaterals	7,662,704	7,029,205
	<u>574,325,632</u>	<u>567,665,839</u>

From other CIs	30/6/2024 VND million	31/12/2023 VND million
Guarantees	480,423	466,000
Exploiting property rights	26,403	26,403
Valuable papers	37,358,000	2,200,000
	<u>37,864,826</u>	<u>2,692,403</u>

#### *Assets and valuable papers mortgaged, pledged, discounted and rediscounted by VIB*

	30/6/2024 Par value VND million	31/12/2023 Par value VND million
Investment securities	6,600,000	13,300,000

### 37. Contingent liabilities and commitments

	30/6/2024 VND million			31/12/2023 VND million		
	Contractual value - gross	Margin deposits	Contractual value - net	Contractual value - gross	Margin deposits	Contractual value - net
Foreign exchange commitments	357,923,443	-	357,923,443	227,964,990	-	227,964,990
<i>In which:</i>						
- <i>Foreign currency purchase commitments</i>	1,752,407	-	1,752,407	1,762,364	-	1,762,364
- <i>Foreign currency sale commitments</i>	1,449,382	-	1,449,382	1,775,463	-	1,775,463
- <i>Swap commitments</i>	354,721,654	-	354,721,654	224,427,163	-	224,427,163
Letters of credit	2,782,649	23,424	2,759,225	1,962,279	18,629	1,943,650
Other guarantee	6,546,302	11,119	6,535,183	7,043,119	18,062	7,025,057
Other commitments	41,371,675	-	41,371,675	38,380,834	-	38,380,834

### 38. Uncollected loan interest and fees

	30/6/2024 VND million	31/12/2023 VND million
Loan interest not yet collected	2,864,453	2,644,560
Securities interest not yet collected	37,739	37,739
Fees receivable but not yet collected	370,659	479,981
	3,272,851	3,162,280

### 39. Written-off bad debts

	30/6/2024 VND million	31/12/2023 VND million
Written-off principal of debts under monitoring	10,597,608	9,486,201
Written-off interest of debts under monitoring	9,758,800	8,990,056
Other written-off debts	3,256	3,256
	20,359,664	18,479,513

#### 40. Other assets and documents in custody

	30/6/2024 VND million	31/12/2023 VND million
Precious metals, gems kept under custody	5,764	5,764
Other assets kept under custody	22,445	22,445
Outsourced asset (*)	4,222,061	4,187,000
Collateral for fulfillment of the guarantor's obligations pending disposition	4,149	4,149
Other valuable documents in custody	12,032,076	25,312,076
	<u>16,286,495</u>	<u>29,531,434</u>

(\*) Represents the value of the rental payable over the term of all lease contracts that are valid at the end of the accounting period.

#### 41. Significant transactions with related parties

In the normal course of operation, VIB carries out transactions with related parties, The terms of these transactions are in accordance with VIB's regulations. A party is related to VIB if:

- (a) Directly, or indirectly through one or more intermediaries, the party:
  - controls, is controlled by, or is under common control by VIB (including parents and subsidiaries);
  - has an interest (owning 5% or more of the charter capital or voting share capital) in VIB that gives it significant influence over VIB;
  - has joint control over VIB;
- (b) The party is a joint venture in which VIB is a venture or an associate (owning over 11% of the charter capital or voting share capital, but is not a subsidiary of VIB);
- (c) The party has a member which is the member of the key management personnel of VIB or Board of Supervision and Board of Management and Chief Accountant of VIB;
- (d) The party is a close member of the family of any individual referred to in (a) or (c); or
- (e) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such company resides with, directly or indirectly, any individual referred to in (c) or (d).

Balances with related parties at the period/year-end were as follows:

	<b>Balances</b>	
	<b>30/6/2024</b>	<b>31/12/2023</b>
	<b>VND million</b>	<b>VND million</b>
<b>Related parties</b>		
<b>Members of Board of Directors, Board of Supervision and Board of Management and Chief Accountant</b>		
- Loans to customers from VIB	1,264	1,134
- Demand deposits at VIB	52,738	19,291
- Term deposits at VIB	16,004	88,613
- Interest payable from term deposits at VIB	43	1,415
<b>Other related parties</b>		
- Loans to customers from VIB	57,772	64,399
- Demand deposits at VIB	33,709	19,295
- Term deposits at VIB	489,411	435,172
- Valuable papers issued by VIB	3,700	800
- Interest receivables from loans	16	95
- Interest receivables from term deposits at VIB	3,557	4,595

Transactions with related parties during the period were as follows:

	<b>Transactions</b>	
	<b>Six-month period ended 30/6/2024</b>	<b>Six-month period ended 30/6/2023</b>
	<b>VND million</b>	<b>VND million</b>
<b>Related parties</b>		
<b>Members of Board of Directors, Board of Supervision and Board of Management and Chief Accountant</b>		
- Interest expenses on deposits at VIB	1,899	3,298
- Remuneration for Board of Directors	3,000	10,162
- Remuneration for Board of Supervision	2,127	3,983
- Salary and bonus of Board of Management and Chief Accountant	14,637	13,275
<b>Other related parties</b>		
- Interest income from loans	382	412
- Interest expenses on deposits at VIB	9,658	14,869

## 42. Concentration of assets, liabilities and off-balance sheet commitments by geographical segments

As at 30 June 2024	Domestic VND million	Overseas VND million	Total VND million
<b>Assets</b>			
Cash and gold on hand	1,703,868	-	1,703,868
Balances with the SBV	5,829,972	-	5,829,972
Balances with and loans to other CIs	114,243,797	211,866	114,455,663
Loans to customers	278,906,037	-	278,906,037
Debt purchases	10,628	-	10,628
Investment securities	28,765,101	-	28,765,101
Long-term investments	69,125	542	69,667
Fixed assets and investment properties	793,014	-	793,014
Other assets	5,361,840	-	5,361,840
	435,683,382	212,408	435,895,790
<b>Liabilities</b>			
Deposits and borrowings from other CIs	96,452,836	20,823,897	117,276,733
Deposits from customers	245,572,313	2,057,463	247,629,776
Derivative financial instruments and other financial liabilities	669,968	-	669,968
Borrowed and entrusted funds	6,090	-	6,090
Valuable papers issued	15,994,695	-	15,994,695
Other liabilities	11,034,389	-	11,034,389
	369,730,291	22,881,360	392,611,651
<b>Off-balance sheet items</b>			
Foreign exchange commitments	357,923,443	-	357,923,443
Letters of credit commitments	2,759,225	-	2,759,225
Other guarantees	6,535,183	-	6,535,183
Other commitments	41,371,675	-	41,371,675
Uncollected loan interest and fees	3,272,851	-	3,272,851
Written-off bad debts	20,359,664	-	20,359,664
Other assets and documents in custody	16,286,495	-	16,286,495

Figures were presented by geographical areas of customers/partners.



**Vietnam International Commercial Joint Stock Bank**  
**1<sup>st</sup> floor (ground floor) and 2<sup>nd</sup> floor of Sailing Tower, 111A Pasteur**  
**Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam**  
**Notes to the consolidated interim financial statements for**  
**quarter II of 2024 (continued)**

**Form B05a/TCTD-HN**  
*(Issued under Circular*  
*No. 49/2014/TT-NHNN*  
*dated 31 December 2014*  
*of the State Bank of Vietnam)*

<b>As at 31 December 2023</b>	<b>Domestic VND million</b>	<b>Overseas VND million</b>	<b>Total VND million</b>
<b>Assets</b>			
Cash and gold on hand	1,681,071	-	1,681,071
Balances with the SBV	8,217,767	-	8,217,767
Balances with and loans to other CIs	67,907,053	290,521	68,197,574
Derivative financial instruments and other financial assets	156,721	-	156,721
Loans to customers	266,345,545	-	266,345,545
Debt purchases	16,495	-	16,495
Investment securities	60,998,658	-	60,998,658
Long-term investments	69,125	542	69,667
Fixed assets and investment properties	758,668	-	758,668
Other assets	7,731,430	-	7,731,430
	<b>413,882,533</b>	<b>291,063</b>	<b>414,173,596</b>
<b>Liabilities</b>			
Deposits and borrowings from other CIs	75,947,468	22,692,253	98,639,721
Deposits from customers	233,719,835	2,857,431	236,577,266
Borrowed and entrusted funds	6,930	-	6,930
Valuable papers issued	23,896,936	-	23,896,936
Other liabilities	12,820,933	-	12,820,933
	<b>346,392,102</b>	<b>25,549,684</b>	<b>371,941,786</b>
<b>Off-balance sheet items</b>			
Foreign exchange commitments	227,964,990	-	227,964,990
Letters of credit commitments	1,943,650	-	1,943,650
Other guarantees	7,025,057	-	7,025,057
Other commitments	38,380,834	-	38,380,834
Uncollected loan interest and fees	3,162,280	-	3,162,280
Written-off bad debts	18,479,513	-	18,479,513
Other assets and documents in custody	29,531,434	-	29,531,434

Figures were presented by geographical areas of customers/partners.

### 43. Segment report

Six-month period ended 30 June 2024	Northern VND million	Central VND million	Southward VND million	Total VND million
<b>Revenue</b>				
Interest and similar income	5,342,162	909,147	9,085,712	15,337,021
Fee and commission income	752,240	167,466	1,333,856	2,253,562
Gain from other business activities	144,781	22,097	1,736,999	1,903,877
	6,239,183	1,098,710	12,156,567	19,494,460
<b>Expenses</b>				
Interest and similar expenses	(2,847,197)	(305,986)	(4,202,404)	(7,355,587)
Depreciation expense	(5,273)	(2,634)	(84,428)	(92,335)
Directly operating expense	(1,079,108)	(275,935)	(4,011,077)	(5,366,120)
	(3,931,578)	(584,555)	(8,297,909)	(12,814,042)
Segment outcome before allowance expenses for credit losses	2,307,605	514,155	3,858,658	6,680,418
Allowance expenses for credit losses	(356,089)	(101,171)	(1,618,113)	(2,075,373)
Segment outcome (before tax)	1,951,516	412,984	2,240,545	4,605,045
<b>As at 30 June 2024</b>				
<b>Assets</b>				
Cash and gold on hand	756,901	171,179	775,788	1,703,868
Fixed assets	1,858	-	788,725	790,583
Other assets	65,255,230	27,814,830	335,397,569	428,467,629
Total assets	66,013,989	27,986,009	336,962,082	430,962,080
<b>Liabilities</b>				
External liabilities	141,228,682	16,744,318	233,268,428	391,241,428
Internal liabilities	16,496	-	440,557	457,053
Other liabilities	6,735	357	906,078	913,170
Total liabilities	141,251,913	16,744,675	234,615,063	392,611,651

Figures were presented by locations of branches and subsidiary.

**Vietnam International Commercial Joint Stock Bank**  
**1<sup>st</sup> floor (ground floor) and 2<sup>nd</sup> floor of Sailing Tower, 111A Pasteur**  
**Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam**  
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**quarter II of 2024 (continued)**

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Six-month period ended 30 June 2023	Northern VND million	Central VND million	Southward VND million	Total VND million
<b>Revenue</b>				
Interest and similar income	6,044,228	1,113,400	11,327,281	18,484,909
Fee and commission income	633,993	140,410	1,294,884	2,069,287
Gain from other business activities	50,525	3,310	722,718	776,553
	6,728,746	1,257,120	13,344,883	21,330,749
<b>Expenses</b>				
Interest and similar expenses	(4,016,715)	(431,012)	(5,331,214)	(9,778,941)
Depreciation expense	(4,673)	(1,914)	(70,653)	(77,240)
Directly operating expense	(816,891)	(225,688)	(3,261,745)	(4,304,324)
	(4,838,279)	(658,614)	(8,663,612)	(14,160,505)
Segment outcome before allowance expenses for credit losses	1,890,467	598,506	4,681,271	7,170,244
Allowance expenses for credit losses	(237,820)	(35,971)	(1,254,548)	(1,528,339)
Segment outcome (before tax)	1,652,647	562,535	3,426,723	5,641,905
<b>As at 31 December 2023</b>				
<b>Assets</b>				
Cash and gold on hand	724,456	143,101	813,514	1,681,071
Fixed assets	2,121	-	754,046	756,167
Other assets	59,199,221	28,373,673	319,871,241	407,444,135
Total assets	59,925,798	28,516,774	321,438,801	409,881,373
<b>Liabilities</b>				
External liabilities	137,010,993	15,613,378	217,028,402	369,652,773
Internal liabilities	16,978	-	737,926	754,904
Other liabilities	14,634	341	1,519,134	1,534,109
Total liabilities	137,042,605	15,613,719	219,285,462	371,941,786

Figures were presented by locations of branches and subsidiary.

## 44. Financial risk management

### (a) Risk management policies related to financial instruments

VIB has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about VIB's exposure to each of the above risks, VIB's objectives, policies and processes for measuring and managing risk, and VIB's management of capital.

#### *Risk management framework*

On the basis of the proposal of the Risk Committee, the Board of Directors ("the Board") monitors the Chief Executive Officer in developing and implementing risk management policies, and dealing with limitations on risk management according to the requirements and recommendations of SBV, independent auditing organisations and other Government entities.

The Chief Executive Officer monitors individuals and departments based on the proposal of the Credit Risk Handling Committee, the Asset Liability Committee (ALCO) and the Capital Management Council in developing and implementing policies, risk management regulations and procedures of VIB in each management field.

VIB's risk management policies are established to identify and analyse the risks faced by VIB, to set appropriate risk limits and controls and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. VIB, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

### (b) Credit risk

VIB is subject to credit risk through its lending, investing activities and in cases where it acts as an intermediary on behalf of customers or other third parties or issues guarantees. The risk that counterparties might default on their obligations is monitored on an ongoing basis. VIB's primary exposure to credit risk arises through its loans. The amount of credit exposure in this regard is represented by the carrying amounts of the assets on the consolidated statement of financial position. In addition, VIB is exposed to off-balance sheet credit risk through commitments to extend credit and guarantees issued.

VIB has maintained an appropriate risk management policy to ensure these following basic principles:

- Establish appropriate risk management environment;
- Operate under healthy credit granting procedure;
- Maintain appropriate credit managing, measuring, supervising procedure; and
- Ensure adequate control on credit risk.

Depending on the level of risk, VIB conducts credit approval through the individual level at the Business Unit, the Risk Management Division and the Credit Committee to ensure a loan is reviewed objectively, independently and compliantly. The granting of personal authority at the Business Unit is reviewed and adjusted periodically by VIB.

VIB's financial assets which are undue and not required to make allowance for, include loans in Group 1 which are classified as Current under Circular 11, securities, receivables and other financial assets which are undue and not required to make allowance for. VIB believes that it has the ability to collect these financial assets adequately and timely in the future.

Financial assets that are "overdue but not requiring allowance yet" mainly comprise loans to customers classified by VIB into Group 1 and overdue less than 10 days, Group 2 to Group 5, overdue receivables under Circular 11 that do not require allowance yet as VIB was holding sufficient collaterals to compensate for credit losses in accordance with current regulations of SBV.

Financial assets that are "overdue and allowance provided" mainly comprise loans to customers classified by VIB in Group 2 to Group 5 and overdue receivables under Circular 11 that require allowance and have been provided for by VIB.

The following table presents the maximum exposure to credit risk from statement of financial position, before taking account of any collateral held or other credit risk enhancements:

As at 30 June 2024

	Not overdue and not requiring allowance VND million	Overdue but not requiring allowance yet				Overdue allowance provided VND million	Total VND million
		Overdue less than 10 days VND million	Overdue from 10 to 90 days VND million	Overdue from 91 to 180 days VND million	Overdue from 181 to 360 days VND million		
Balances with the SBV	5,829,972	-	-	-	-	-	5,829,972
Balances with and loans to other CIs - gross	114,455,663	-	-	-	-	-	114,455,663
Loans to customers - gross	250,023,157	6,055,816	1,933,574	234,754	284,394	20,075,779	278,906,037
Debt purchases - gross	10,108	-	520	-	-	-	10,628
Investment securities – gross (*)	27,185,447	-	-	-	-	42,380	27,227,827
Other financial assets - gross	3,502,762	-	-	-	-	-	3,502,762
	401,007,109	6,055,816	1,934,094	234,754	284,394	20,118,159	429,932,889

As at 31 December 2023

	Not overdue and not requiring allowance VND million	Overdue but not requiring allowance yet				Overdue allowance provided VND million	Total VND million
		Overdue less than 10 days VND million	Overdue from 10 to 90 days VND million	Overdue from 91 to 180 days VND million	Overdue from 181 to 360 days VND million		
Balances with the SBV	8,217,767	-	-	-	-	-	8,217,767
Balances with and loans to other CIs - gross	68,197,574	-	-	-	-	-	68,197,574
Loans to customers - gross	234,565,665	8,418,572	2,137,292	228,712	303,935	20,571,398	266,345,545
Debt purchases - gross	15,391	248	856	-	-	-	16,495
Investment securities – gross (*)	48,693,798	-	-	-	-	42,380	48,736,178
Other financial assets - gross	5,887,001	-	-	-	-	-	5,887,001
	365,577,196	8,418,820	2,138,148	228,712	303,935	20,613,778	397,400,560

(\*) Not included shares, SBV bills and Government bonds.

As at 30 June 2024, non-performing loan ratio according to debt status of customers at VIB is 2.44% (as at 31 December 2023: 2.20%). Details on classification quality of credit risk assets at VIB are as follows:

***As at 30 June 2024***

	<b>Loan to customers</b>	<b>Debt purchases</b>	<b>Investment securities (*)</b>	<b>Deposits at and loans to other CIs (**)</b>	<b>Total</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Current	256,271,610	10,108	27,185,447	113,712,389	397,179,554
Special mention	12,433,168	520	-	-	12,433,688
Substandard	2,266,782	-	-	-	2,266,782
Doubtful	3,728,942	-	42,380	-	3,771,322
Loss	4,205,535	-	-	-	4,205,535
	<b>278,906,037</b>	<b>10,628</b>	<b>27,227,827</b>	<b>113,712,389</b>	<b>419,856,881</b>

***As at 31 December 2023***

	<b>Loan to customers</b>	<b>Debt purchases</b>	<b>Investment securities (*)</b>	<b>Deposits at and loans to other CIs (**)</b>	<b>Total</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
Current	243,146,729	15,639	48,693,798	67,345,415	359,201,581
Special mention	14,824,225	856	-	-	14,825,081
Substandard	2,479,317	-	42,380	-	2,521,697
Doubtful	3,697,136	-	-	-	3,697,136
Loss	2,198,138	-	-	-	2,198,138
	<b>266,345,545</b>	<b>16,495</b>	<b>48,736,178</b>	<b>67,345,415</b>	<b>382,443,633</b>

(\*) Not included shares, SBV bills and Government bonds

(\*\*) Not included demand deposits.

(c) **Market risk**

(i) **Interest risk**

Interest rate risk is the risk arises when there is a difference of term in repricing of interest rate between assets and liabilities. All loan activities, mobilisation activities, investment activities of VIB create interest rate risk.

The interest rate re-pricing term of fixed interest rate items is the remaining period from the date of the financial statements to the maturity date, and of variable interest rate items is the remaining period to the nearest interest rate re-pricing date.

The following assumptions and conditions have been adopted in the analysis of interest rate re-pricing term of VIB's assets and liabilities:

- Cash on hand, long-term investments and other assets (including fixed assets, investment properties and other assets) are classified as non interest-bearing items;
- Balances with the SBV are classified as current deposits, for non-interest-paying deposits classified as free-of items, for interest-paid deposits classified into less-than-one-month items;
- The interest rate re-pricing term of investment securities is determined based on contractual interest rate re-pricing term of each security;
- The interest rate re-pricing term of deposits with and loans to other CIs; loans to customers; amounts due to the Government and SBV; deposits and borrowings from other CIs; deposits from customers are determined as follows:
  - Items with fixed interest rate during the contractual term: the effective interest re-pricing term is determined based on the maturity date from the end of accounting period;
  - Items with floating interest rate: the effective interest re-pricing term is determined based on the time to the nearest interest rate re-pricing date from the end of accounting period.
- The interest re-pricing term of other liabilities is arranged based on the maturity date from the end of accounting period of each item.



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**Ho Chi Minh City, Vietnam**  
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As at 30 June 2024	Overdue	Free of interest	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Total
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
<b>Assets</b>									
Cash and gold on hand	-	1,703,868	-	-	-	-	-	-	1,703,868
Balances with the SBV	-	5,829,972	-	-	-	-	-	-	5,829,972
Balances with and loans to other CIs - gross	-	-	103,081,948	7,086,807	3,638,017	648,891	-	-	114,455,663
Loans to customers and debts purchases - gross	5,934,790	-	35,117,787	75,612,110	70,747,330	58,745,238	32,726,206	33,204	278,916,665
Investment securities - gross	42,380	-	350,000	7,181,440	14,151,581	5,802,749	-	1,236,951	28,765,101
Long-term investments - gross	-	69,667	-	-	-	-	-	-	69,667
Fixed assets and investment properties	-	793,014	-	-	-	-	-	-	793,014
Other assets - gross	-	5,361,840	-	-	-	-	-	-	5,361,840
	5,977,170	13,758,361	138,549,735	89,880,357	88,536,928	65,196,878	32,726,206	1,270,155	435,895,790
<b>Liabilities</b>									
Deposits and borrowings from other CIs	-	-	107,574,652	9,690,666	11,415	-	-	-	117,276,733
Deposits from customers	-	113,743	93,634,752	48,757,801	79,541,055	10,834,878	14,747,547	-	247,629,776
Derivative financial instruments and other financial liabilities	-	669,968	-	-	-	-	-	-	669,968
Other borrowed and entrusted funds	-	-	3,957	2,133	-	-	-	-	6,090
Valuable papers issued	-	-	300,000	646,439	1,534,617	155,639	12,148,000	1,210,000	15,994,695
Other liabilities	-	11,034,389	-	-	-	-	-	-	11,034,389
	-	11,818,100	201,513,361	59,097,039	81,087,087	10,990,517	26,895,547	1,210,000	392,611,651
<b>Interest sensitivity gap on balance sheet</b>	5,977,170	1,940,261	(62,963,626)	30,783,318	7,449,841	54,206,361	5,830,659	60,155	43,284,139
<b>Off balance sheet commitments with effects on interest sensitivity of assets and liabilities (net)</b>	-	-	(230,566)	(333,328)	(96,328)	(10,392)	32,280	-	(638,334)
<b>Interest sensitive gap on and off-balance sheet</b>	5,977,170	1,940,261	(63,194,192)	30,449,990	7,353,513	54,195,969	5,862,939	60,155	42,645,805

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**Vietnam International Commercial Joint Stock Bank**  
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<b>As at 31 December 2023</b>	<b>Overdue</b>	<b>Free of interest</b>	<b>Less than 1 month</b>	<b>From 1 to 3 months</b>	<b>From 3 to 6 months</b>	<b>From 6 to 12 months</b>	<b>From 1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>	<b>VND million</b>
<b>Assets</b>									
Cash and gold on hand	-	1,681,071	-	-	-	-	-	-	1,681,071
Balances with the SBV	-	8,217,767	-	-	-	-	-	-	8,217,767
Balances with and loans to other CIs - gross	-	-	57,551,806	5,682,927	2,744,831	2,218,010	-	-	68,197,574
Derivative financial instruments and other financial assets	-	156,721	-	-	-	-	-	-	156,721
Loans to customers and debts purchases - gross	3,406,940	-	41,517,561	90,764,974	50,712,613	64,218,736	15,732,429	8,787	266,362,040
Investment securities - gross	42,380	-	4,673,617	9,697,710	4,748,737	24,725,077	6,113,096	10,998,041	60,998,658
Long-term investments - gross	-	69,667	-	-	-	-	-	-	69,667
Fixed assets and investment properties	-	758,668	-	-	-	-	-	-	758,668
Other assets - gross	-	7,731,430	-	-	-	-	-	-	7,731,430
	<b>3,449,320</b>	<b>18,615,324</b>	<b>103,742,984</b>	<b>106,145,611</b>	<b>58,206,181</b>	<b>91,161,823</b>	<b>21,845,525</b>	<b>11,006,828</b>	<b>414,173,596</b>
<b>Liabilities</b>									
Deposits and borrowings from other CIs	-	-	84,403,758	11,668,539	2,567,406	18	-	-	98,639,721
Deposits from customers	-	345,677	88,497,106	48,530,132	68,061,295	20,614,082	10,528,974	-	236,577,266
Other borrowed and entrusted funds	-	-	799	6,131	-	-	-	-	6,930
Valuable papers issued	-	1,110	-	-	6,100,000	1,082,126	15,503,700	1,210,000	23,896,936
Other liabilities	-	12,820,933	-	-	-	-	-	-	12,820,933
	<b>-</b>	<b>13,167,720</b>	<b>172,901,663</b>	<b>60,204,802</b>	<b>76,728,701</b>	<b>21,696,226</b>	<b>26,032,674</b>	<b>1,210,000</b>	<b>371,941,786</b>
<b>Interest sensitivity gap on balance sheet</b>	<b>3,449,320</b>	<b>5,447,604</b>	<b>(69,158,679)</b>	<b>45,940,809</b>	<b>(18,522,520)</b>	<b>69,465,597</b>	<b>(4,187,149)</b>	<b>9,796,828</b>	<b>42,231,810</b>
<b>Off balance sheet commitments with effects on interest sensitivity of assets and liabilities (net)</b>	<b>-</b>	<b>-</b>	<b>148,616</b>	<b>(17,513)</b>	<b>39,474</b>	<b>(11,492)</b>	<b>-</b>	<b>-</b>	<b>159,085</b>
<b>Interest sensitive gap on and off-balance sheet</b>	<b>3,449,320</b>	<b>5,447,604</b>	<b>(69,010,063)</b>	<b>45,923,296</b>	<b>(18,483,046)</b>	<b>69,454,105</b>	<b>(4,187,149)</b>	<b>9,796,828</b>	<b>42,390,895</b>

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*Sensitivity to interest rate*

The following table estimates the sensitivity of profit before tax of VIB assuming it's increased in lending and funding interest. On the contrary, decrease in lending and funding interest would have the equal but opposite effect to the profit before tax of VIB.

*As at 30 June 2024*

Currency	Increase in interest rate 30/6/2024	Effect of increase/(decrease) on profit before tax for the six-month period ended 30/6/2024 VND million
VND	1.00%	(23,068)
USD	0.25%	29,310

*As at 31 December 2023*

Currency	Increase in interest rate 31/12/2023	Effect of increase/(decrease) on profit before tax for the year ended 31/12/2023 VND million
VND	1.00%	(56,229)
USD	0.25%	151,108

(ii) *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank and its subsidiary were incorporated and operate in Vietnam with VND as their reporting currency. The major currency in which the Bank and its subsidiary transact is VND. VIB's asset - liabilities structure included different types of currencies (such as USD, EUR, AUD, etc.), which is the main cause of currency risk. VIB has set limits on positions by currency based on internal risk assessment process and regulations of SBV. Currency positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

As at 30 June 2024	USD	EUR	Other currencies	Total
	VND million	VND million	VND million	VND million
<b>Assets</b>				
Cash and gold on hand	346,154	57,532	17,344	421,030
Balances with the SBV	392,004	38	-	392,042
Balances with and loans to other CIs - gross	1,622,234	65,034	156,633	1,843,901
Derivative financial instruments and other financial assets	37,445,262	245,543	819,026	38,509,831
Loans to customers and debts purchases - gross	1,510,864	-	-	1,510,864
Long-term investments	542	-	-	542
Other assets - gross	464,770	203	4	464,977
<b>Total assets</b>	<b>41,781,830</b>	<b>368,350</b>	<b>993,007</b>	<b>43,143,187</b>
<b>Liabilities</b>				
Deposits and borrowings from other CIs	28,913,139	-	-	28,913,139
Deposits from customers	12,123,064	430,838	317,115	12,871,017
Other liabilities	267,867	1,043	7,934	276,844
<b>Total liabilities</b>	<b>41,304,070</b>	<b>431,881</b>	<b>325,049</b>	<b>42,061,000</b>
Foreign exchange position on balance sheet	477,760	(63,531)	667,958	1,082,187
Foreign exchange position off- balance sheet	200,582	68,206	(631,396)	(362,608)
Foreign exchange position on and off-balance sheet	<b>678,342</b>	<b>4,675</b>	<b>36,562</b>	<b>719,579</b>

**Vietnam International Commercial Joint Stock Bank**  
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**Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam**  
**Notes to the consolidated interim financial statements for**  
**quarter II of 2024 (continued)**

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*(Issued under Circular*  
*No. 49/2014/TT-NHNN*  
*dated 31 December 2014*  
*of the State Bank of Vietnam)*

<b>As at 31 December 2023</b>	<b>USD</b>	<b>EUR</b>	<b>Other</b>	<b>Total</b>
	<b>VND million</b>	<b>VND million</b>	<b>currencies</b>	<b>VND million</b>
			<b>VND million</b>	
<b>Assets</b>				
Cash and gold on hand	384,279	47,009	27,533	458,821
Balances with the SBV	434,289	60	-	434,349
Balances with and loans to other CIs				
- gross	361,842	72,991	97,261	532,094
Derivative financial instruments and other financial assets	34,662,128	228,187	182,556	35,072,871
Loans to customers and debts				
purchases - gross	1,856,557	-	-	1,856,557
Long-term investments	542	-	-	542
Other assets - gross	822,840	810	15	823,665
<b>Total assets</b>	<b>38,522,477</b>	<b>349,057</b>	<b>307,365</b>	<b>39,178,899</b>
<b>Liabilities</b>				
Deposits and borrowings from other CIs	30,797,784	-	-	30,797,784
Deposits from customers	9,241,118	341,201	301,388	9,883,707
Other liabilities	174,301	4,497	354	179,152
<b>Total liabilities</b>	<b>40,213,203</b>	<b>345,698</b>	<b>301,742</b>	<b>40,860,643</b>
Foreign exchange position on balance sheet	(1,690,726)	3,359	5,623	(1,681,744)
Foreign exchange position off-balance sheet	(15,310)	-	2,211	(13,099)
Foreign exchange position on and off-balance sheet	(1,706,036)	3,359	7,834	(1,694,843)

***Sensitivity to exchange rate***

Below is an analysis of the possible impact on profit before tax and equity of VIB the six-month period ended 30 June 2024 and for the year ended 31 December 2023. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Effect on profit before tax – increase/ (decrease) in profit VND million	Effect on owners' equity – increase/ (decrease) in equity VND million
<b>Six-month period ended 30 June 2024</b>		
VND depreciates 2.0% against USD	13,567	10,853
VND appreciates 2.0% against USD	(13,567)	(10,853)
<b>Year ended 31 December 2023</b>		
VND depreciates 2.0% against USD	(34,121)	(27,297)
VND appreciates 2.0% against USD	34,121	27,297

**(iii) *Liquidity risk***

Liquidity risk is the risk that results to VIB's losses and/or failing to meet its payment obligation when VIB cannot mobilise sufficient liquid capital at appropriate costs and/or cannot sell assets at fair value and/or VIB has to mobilise funds at high costs to meet its payment obligations at a point of time. Liquidity risk arises due to: un-matching of maturity terms of assets and maturity terms of liabilities, the sensitivity of financial assets to changes in interest rates that leads VIB unable to meet its payment obligation.

The maturity term of assets and liabilities represents the remaining period from the end of accounting period to the maturity date agreed in the contracts or in terms of issuance.

The following assumptions and conditions are applied in the analysis of overdue status of VIB's assets and liabilities on consolidated statement of financial position:

- Balances with the SBV are classified as demand deposits which include compulsory reserve. The balance of compulsory reserve depends on the proportion and terms of VIB's customer deposits.
- The maturities of deposits at and loans to other credit institutions and loans to customers are based on the contractual repayment date of deposit contracts or loan contracts. The actual maturity may vary from contractual term when the contract is extended.
- The maturity term of investment securities is calculated based on the maturity date of each kind of securities.
- The maturity term of equity investments is considered more than 5 years because these investments do not have specific maturity date.
- The maturity term of fixed assets and investment properties do not have specific maturity date.

- The maturity term of other assets is determined based on the actual maturity of each category of asset.
- The maturity term of deposits and borrowings from other credit institutions; and customer's deposits is determined based on features of these items or the maturity date as stipulated in contracts. Demand deposits are transacted as required by customers, and therefore, being classified as current accounts. The maturity term of borrowings and term deposits is determined based on the maturity date in contracts. In fact, these amounts may be rotated, and therefore, may last beyond the original maturity date.
- The maturity term of other borrowed and entrusted funds that VIB bears risks is determined based on the actual maturity from the consolidated statement of financial position date of each contract.
- The maturity term of valuable papers issued is determined based on the actual maturity of each category of valuable paper.
- The maturity term of other liabilities is determined based on the actual maturity date of each liability.

The table below shows the analysis of assets and liabilities of VIB by terms of maturity based on the remaining period from the end of the accounting period to the maturity date. In fact, the settlement date of assets and liabilities could be different according to separate agreements or amendments to contracts if any.

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of the State Bank of Vietnam)

As at 30 June 2024	Overdue		Current				Total	
	Up to 3 months	More than 3 months	Up to 1 month	From above 1 to 3 months	From above 12 months to 12 months	From above 1 to 5 years	More than 5 years	
	VND million	VND million	VND million	VND million	VND million	VND million	VND million	VND million
<b>Assets</b>								
Cash and gold on hand	-	-	1,703,868	-	-	-	-	1,703,868
Balances with the SBV	-	-	5,829,972	-	-	-	-	5,829,972
Deposits with and loans to other CIs – gross	-	-	103,081,948	7,047,076	4,326,639	-	-	114,455,663
Loans to customers and debts purchases - gross	2,433,107	3,501,683	11,892,171	31,042,401	84,916,522	57,862,999	87,267,782	278,916,665
Investment securities - gross	-	42,380	-	7,181,440	19,754,330	550,000	1,236,951	28,765,101
Long-term investments - gross	-	-	-	-	-	-	69,667	69,667
Fixed assets and investment properties	-	-	-	-	-	-	793,014	793,014
Other assets - gross	-	-	2,633,929	49,507	2,678,404	-	-	5,361,840
<b>Total assets</b>	2,433,107	3,544,063	125,141,888	45,320,424	111,675,895	58,412,999	89,367,414	435,895,790
<b>Liabilities</b>								
Deposits and borrowings from other CIs	-	-	97,176,431	50,580	6,608,113	13,441,609	-	117,276,733
Deposits from customers	-	-	87,444,362	42,602,919	90,122,495	27,459,866	134	247,629,776
Derivative financial instruments and other financial liabilities	-	-	669,968	-	-	-	-	669,968
Other borrowed and entrusted funds	-	-	-	-	6,090	-	-	6,090
Valuable papers issued	-	-	-	146,439	200,256	13,648,000	2,000,000	15,994,695
Other liabilities	-	-	3,763,906	-	2,940,587	-	4,329,896	11,034,389
<b>Total liabilities</b>	-	-	189,054,667	42,799,938	99,877,541	54,549,475	6,330,030	392,611,651
<b>Net liquidity gap</b>	2,433,107	3,544,063	(63,912,779)	2,520,486	11,798,354	3,863,524	83,037,384	43,284,139



As at 31 December 2023	Overdue		Current				Total
	Up to 3 months	More than 3 months	Up to 1 month	From above 1 to 3 months	From above 12 months to 5 years	More than 5 years	
	VND million	VND million	VND million	VND million	VND million	VND million	
<b>Assets</b>							
Cash and gold on hand	-	-	1,681,071	-	-	-	1,681,071
Balances with the SBV	-	-	8,217,767	-	-	-	8,217,767
Deposits with and loans to other CIs – gross	-	-	57,486,913	5,722,577	4,988,084	-	68,197,574
Derivative financial instruments and other financial assets	-	-	156,721	-	-	-	156,721
Loans to customers and debts purchases - gross	1,760,678	1,646,262	11,373,291	23,190,821	84,140,986	56,882,857	87,367,145
Investment securities - gross	-	42,380	5,647,135	8,199,192	29,273,814	7,013,034	10,823,103
Long-term investments - gross	-	-	-	-	-	-	69,667
Fixed assets and investment properties	-	-	-	-	-	-	758,668
Other assets - gross	-	-	3,909,759	567,784	3,253,887	-	7,731,430
<b>Total assets</b>	1,760,678	1,688,642	88,472,657	37,680,374	121,656,771	63,895,891	99,018,583
<b>Liabilities</b>							
Deposits and borrowings from other CIs	-	-	74,403,501	2,392,791	8,911,416	12,932,013	-
Deposits from customers	-	-	84,050,588	38,956,248	87,124,519	26,445,811	100
Other borrowed and entrusted funds	-	-	-	2,174	4,756	-	-
Valuable papers issued	-	-	1,110	-	5,892,126	16,003,700	2,000,000
Other liabilities	-	-	4,256,663	-	8,564,270	-	-
<b>Total liabilities</b>	-	-	162,711,862	41,351,213	110,497,087	55,381,524	2,000,100
<b>Net liquidity gap</b>	1,760,678	1,688,642	(74,239,205)	(3,670,839)	11,159,684	8,514,367	97,018,483
							42,231,810

## **45. Disclosure of financial instruments**

### **Fair value disclosure**

Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 requires disclosing on fair value determination method and fair value of financial assets and financial liabilities to have a comparison between fair value and carrying value.

The following table sets out the carrying value and fair value of VIB's financial assets and financial liabilities where determinable:

	Carrying value				Fair value	
	Fair value through profit and loss VND million	Held-to- maturity VND million	Loans and receivables VND million	Available for sale VND million	Other liabilities recorded at amortised cost VND million	Total carrying value VND million
<b>Financial assets</b>						
Cash and gold on hand	-	-	1,703,868	-	-	1,703,868
Balances with the SBV	-	-	5,829,972	-	-	5,829,972
Balances with and loans to other CIs - net	-	-	114,455,663	-	-	114,455,663
Loans to customers - net	-	-	273,996,195	-	-	273,996,195
Debt purchases - net	-	-	10,547	-	-	10,547
Investment securities - net	-	20,872	-	28,721,221	-	28,742,093
Other long-term investments - net	-	-	-	69,457	-	69,457
Other financial assets	-	-	3,502,762	-	-	3,502,762
	-	20,872	399,499,007	28,790,678	-	428,310,557
<b>Financial liabilities</b>						
Deposits and borrowings from other CIs	-	-	-	-	117,276,733	117,276,733
Deposits from customers	-	-	-	-	247,629,776	247,629,776
Derivative financial instruments and other financial liabilities	669,968	-	-	-	-	669,968
Other borrowed and entrusted funds	-	-	-	-	6,090	6,090
Valuable papers issued	-	-	-	-	15,994,695	15,994,695
Other financial liabilities	-	-	-	-	9,664,167	9,664,167
	669,968	-	-	-	390,571,461	391,241,429

(\*) VTB has not determined fair values of these financial instruments for disclosure in the consolidated interim 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, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements. The fair values of these financial instruments may differ from their carrying amounts.

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As at 31 December 2023

	Carrying value				Fair value	
	Fair value through profit and loss VND million	Held-to- maturity VND million	Loans and receivables VND million	Available for sale VND million	Other liabilities recorded at amortised cost VND million	Total carrying value VND million
<b>Financial assets</b>						
Cash and gold on hand	-	-	1,681,071	-	-	1,681,071
Balances with the SBV	-	-	8,217,767	-	-	8,217,767
Balances with and loans to other CIs - net	-	-	68,197,574	-	-	68,197,574
Derivative financial instruments and other financial assets	156,721	-	-	-	-	156,721
Loans to customers - net	-	-	262,075,015	-	-	262,075,015
Debt purchases - net	-	-	16,370	-	-	16,370
Investment securities - net	-	33,586	-	60,954,778	-	60,988,364
Other long-term investments - net	-	-	-	69,457	-	69,457
Other financial assets	-	-	5,887,001	-	-	5,887,001
	156,721	33,586	346,074,798	61,024,235	-	407,289,340
<b>Financial liabilities</b>						
Deposits and borrowings from other CIs	-	-	-	-	98,639,721	98,639,721
Deposits from customers	-	-	-	-	236,577,266	236,577,266
Other borrowed and entrusted funds	-	-	-	-	6,930	6,930
Valuable papers issued	-	-	-	-	23,896,936	23,896,936
Other financial liabilities	-	-	-	-	10,531,921	10,531,921
	-	-	-	-	369,652,774	369,652,774

(\*) VTB has not determined fair values of these financial instruments for disclosure in the consolidated 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, the Vietnamese Accounting System for credit institutions stipulated by the State Bank of Vietnam and the relevant statutory requirements. The fair values of these financial instruments may differ from their carrying amounts.



#### 46. Lease commitments

	30/6/2024 VND million	31/12/2023 VND million
Up to one year	607,767	596,677
From one to five years	1,254,182	1,306,782
More than five years	171,756	222,390
	<u>2,033,705</u>	<u>2,125,849</u>

#### 47. Changes in accounting estimates

In preparing these annual and interim financial statements, Board of Management has made several accounting estimates. Actual results may differ from these estimates. There is no significant change in accounting estimates of VIB in the preparation and presentation of these consolidated interim financial statements compared with its latest consolidated annual financial statements.

#### 48. Seasonality of business activities

VIB's consolidated interim financial statements are not affected by seasonal or cyclical factors.

#### 49. Post balance sheet event

As the date of issuance of these consolidated interim financial statements, there were no significant events occurring after 30 June 2024 that would probably have significant impact on the financial position of VIB and require adjustments or disclosures in the VIB's consolidated interim financial statements for quarter II of 2024.

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## 50. Exchange rates of some currencies at the end of the accounting period

The followings were the significant foreign exchange rates applied by VIB:

	Exchange rate as at	
	30/6/2024	31/12/2023
	VND	VND
USD	25,361.50	24,400.00
EUR	27,282.50	26,845.50
GBP	32,194.50	30,922.50
CHF	28,406.00	28,992.50
JPY	158.88	171.78
SGD	18,787.00	18,399.50
CAD	18,617.50	18,344.50
AUD	16,975.00	16,596.00

5 August 2024

Prepared by:



Pham Thi Minh Hue  
Chief Accountant

Reviewed by:



Ho Van Long  
Deputy Chief Executive Officer  
cum Head of Retail Banking  
cum Chief Financial Officer

Approved by:



Han Ngoc Vu  
Chief Executive Officer

