

Notes to the consolidated financial statements

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

1. General information

Establishment and Operation

Saigon - Hanoi Commercial Joint Stock Bank ("the Bank") is a commercial joint stock bank incorporated and registered in Vietnam.

The Bank was established pursuant to the Banking License No. 0041/NH-GP issued by the State Bank of Vietnam ("hereby referred as SBV") on 13 November 1993 with the original name of Nhon Ai Rural Commercial Joint Stock Bank. The Bank was renamed as Saigon - Hanoi Commercial Joint Stock Bank under Decision No 1764/QD-NHNN dated 11 September 2009. The Bank successfully merged Hanoi Building Commercial Joint Stock Bank ("HBB") and Vinaconex - Viettel Finance Joint Stock Company ("VVF") into its operation in 2012 and 2017, respectively, which was in line with the Restructuring plan of the banking system in Vietnam. Currently, the Bank operates under the Establishment and Operation License No. 115/GP-NHNN dated 30 November 2018, issued by the State Bank of Vietnam which has been amended several times and the most recent adjustment is according to Decision No. 1669/QD-NHNN dated 07 September 2023, and Enterprise Registration Certificate No. 1800278630 dated 10 December 1993 by the Hanoi Authority of Planning and Investment which was amended for the 35th time on 2 July 2024. The Bank's term of operation is 99 years since 13 November 1993.

The Bank was established to carry out banking activities under its Establishment and Operation License and Enterprise Registration Certificate, including demand deposits, term deposits, savings deposits and other types of deposits; credit granting; opening current accounts for customers; supply of domestic payment services; opening accounts; organizing internal payment; participating in the national interbank payment system; cash management services, banking and financial consultancy; services of managing, asset maintainances, leasing cabinets, safe boxes; providing advisory services on business finance, merger and acquisition, disposal, consolidation and investment; participating in bidding for Treasury bills, purchase and sale of negotiable instruments, Government bonds, Treasury bills, State Bank of Vietnam bills and other valuable papers on the monetary market; buying and selling Government bonds and corporate bonds; providing money brokerage services; issuing certificates of deposit, promissory notes, treasury bills and bonds to mobilize domestic and foreign capital according to the provisions of the Law on Credit Institutions, the Law on Securities, the Government's Law and guidance; borrowing capital from the State Bank of Vietnam in the form of refinancing; lending and borrowing capital from domestic and foreign credit institutions and financial institutions; capital contribution and sale; acting as trustor, trustee and agent in banking-related activities, insurance business and asset management according to the regulations of the State Bank of Vietnam; trading and providing foreign exchange services on the domestic and international market within the scope prescribed by the State Bank of Vietnam; supplying commodity derivative products; providing securities depository and gold trading services; debt purchasing activities; e-wallet services; investment in Government futures contracts.

Charter capital

As at 31 December 2024, the Bank's charter capital was VND 36,629,085 million.

Operating network

The Head Office of the Bank is located at No. 77 Tran Hung Dao Street, Tran Hung Dao Ward, Hoan Kiem District, Hanoi, Vietnam. As at 31 December 2024, the Bank had one (1) Head Office, sixty-three (63) domestic branches and two hundred and thirty (230) transaction offices.

Notes to the consolidated financial statements (Continued)

Employees

The total number of officers and employees of the Bank as of 31 December 2024 was 6,651 (as at 31 December 2023 was 6,246).

Subsidiaries

As at 31 December 2024, the Bank has three (03) subsidiaries as follows:

No.	Name	Established in accordance	Lĩnh vực hoạt động chính	Tỷ lệ sở hữu của Ngân hàng
1	SHB Debt management and Asset Development One Sole Member Company Limited ("SHB AMC")	0103811666 dated 04 May 2009 by Hanoi Authority for Planning and Investment and the 5th Amendment dated 25 June 2019	Debt and Asset management	100,00%
2	Saigon – Hanoi Bank Laos One Member Company Limited ("SHB Laos")	554/2018/VC-SHB.LAO dated 08 July 2015 by Bank of the Lao PDR and the 3rd Amendment dated 22 May 2024	Finance/ Banking	100,00%
3	Saigon – Hanoi Bank Cambodia Plc. Limited ("SHB Cambodia")	Banking License No. B35 dated 31 October 2016 issued by the National Bank of Cambodia and Registration Certificate No. MOC-6193635 dated on 13 March 2017 by Cambodia's Ministry of Commerce	Finance/ Banking	100,00%

Associates

As at 31 December 2024, the Bank has one (01) associate as follows:

No.	Name	Established in accordance with Decision/License No.	Business sector	Proportion of ownership
1	SHBank Finance Company Limited ("SHB FC")	21/GP-NHNN dated 25 April 2023 by the SBV and Registration Certificate No. 0107779290 dated 28 March 2017 by Hanoi Authority for Planning and Investment and the 9th amendment dated 18 January 2024	Consumer lending	50,00%

Resolution No. 29/NQ-HDQT dated 25 August 2021 issued by the Bank's Board of Directors approving the Bank's transfer of its 100% ownership in SHBank Finance Company Limited, a subsidiary of the Bank. The capital transfer is divided into two phases. The Bank has completed the procedures for transferring 50% of charter capital to Bank of Ayudhya Public Company Limited ("Krungsri") of Thailand – a member of MUFG Group (Japan). After 3 years of joint ownership of SHB FC, the Bank will transfer the remaining 50% of charter capital to Krungsri and Krungsri will become the sole owner of SHB FC. On 25 April 2023, SBV approved the License for Establishment and Operation of SHBank Finance Company Limited No. 21/GP-NHNN (replacing the License No. 71/GP-NHNN for Establishment and Operation of SHBank Finance Company Limited issued by the SBV dated on 11 November 2021) with an operation period of 50 years and the charter capital is VND

1,000,000 million. On 09 June 2023, the Hanoi Authority for Planning and Investment issued the Enterprise Registration Certificate No. 0107779290 which was amended the 7th time, acknowledging that the list of capital contributors of SHB FC includes the Bank and Krungsri with the equal capital contribution ratio of 50%. SHB FC have been agreed to be transferred to Krungsri, as such, Krungsri has the right to appoint key management positions at SHB FC, through which exercising its right to control over SHB FC. Currently, the Bank assesses that it still has a significant influence on SHB FC's financial policing and operations. Therefore, the Bank recognizes its remaining investment in SHB FC as investment in associate as at 31 December 2024.

Resolution No. 27/2024/NQ-HĐQT dated 04 November 2024 of the Board of Directors accepts and approves the Bank's transfer, as the owner of 50% of the charter capital of SHBank Finance Company Limited, of the remaining charter capital of the Bank in the SHB FC. As at the date of issuance of the financial statements, the transaction is still in progress.

2. Accounting convention and accounting year

Accounting convention

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting. However, due to the Bank's large scale of operation, for the purpose of preparing these consolidated financial statements, the figures are rounded to and presented in millions of Vietnam Dong (VND Million). This presentation does not materially impact the consolidated financial statements in terms of the financial position, the results of operations and cash flows of the Bank. Regarding the number of shares, the Bank presented the items in units as shown in Note 25.3 and Note 36.

The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices which are generally accepted in countries and jurisdictions other than Vietnam.

Accounting year

The Bank's financial year begins on 01 January and ends on 31 December.

3. Application of new guidelines

Law on Credit Institutions No. 32/2024/QH15 dated 18 January 2024

On 18 January 2024, the National Assembly issued the Law on Credit Institutions No.32/2024/QH15 ("Credit Institutions Law 2024") regulating the establishment, organization, operation, and early intervention, special control, reorganization, dissolution, bankruptcy of credit institutions; handling of bad debts and collateral for bad debts of credit institutions. The Law on Credit Institutions in 2024 takes effect from 01 July 2024, replacing the Law on Credit Institutions No. 47/2010/QH12 dated 16 June 2010 and the Law No. 17/2017/QH14 dated 20 November 2017 amending and supplementing a number of articles of the Law on Credit Institutions, except for certain provisions effective from 01 January 2025.

Thuyết minh báo cáo tài chính hợp nhất (tiếp theo)

Circular No. 06/2024/TT-NHNN dated 18 June 2024

On 18 June 2024, the State Bank (“SBV”) issued Circular No. 06/2024/TT-NHNN (“Circular 06”) amending and supplementing a number of articles of Circular No. 02/2023/TT-NHNN (“Circular 02”) dated 23 April 2023 of the State Bank of Vietnam regulating credit institutions on debt rescheduling and retention of debt category to assist business in difficulties. Accordingly, Circular 06 stipulating the restructuring of debt repayment terms for customers according to the provisions of this Circular has been implemented from the effective date of this Circular until 31 December 2024. Circular 06 takes effect from 18 June 2024.

Circular No. 21/2024/TT-NHNN dated 28 June 2024

On 28 June 2024, the State Bank of Vietnam issued Circular No. 21/2024/TT-NHNN (“Circular 21”) regulating letter of credit (L/C) operations and other business activities of credit institutions related to letters of credit. Circular 21 takes effect from 01 July 2024, including regulations on credit risk classification, provisioning levels and methods, and the use of provisions to handle credit risks of commitments and assets in credit granting for L/C operation, in performing the outright purchase without recourse of the set of documents presented under L/C, and in entrusting the issuance of L/C according to legal regulations on asset classification, risk provisioning levels and methods, and the use of provisions to handle risks in the operations of banks and foreign bank branches.

Circular No. 31/2024/TT-NHNN dated 30 June 2024

On 30 June 2024, the State Bank of Vietnam issued Circular No. 31/2024/TT-NHNN (“Circular 31”) regulating the classification of assets in the operations of commercial banks, non-bank credit institutions, and foreign bank branches. Circular 31 replaces Circular No. 11/2021/TT-NHNN dated 30 July 2021 (“Circular 11”) of the State Bank of Vietnam regulating asset classification, risk provisioning levels and methods, and the use of provisions to handle risks in the operations of credit institutions and foreign bank branches. Circular 31 takes effect from 01 July 2024.

Decree No. 86/2024/ND-CP dated 11 July 2024

On 11 July 2024, the Government issued Decree No. 86/2024/ND-CP (“Decree 86”) regulating the risk provisioning levels and methods, and the use of provisions to handling risks in the operations of credit institutions, foreign bank branches and cases where credit institutions are required to derecognize interest receivables that had been recorded. Decree 86 takes effect from 11 July 2024.

Key changes of Circular 31 and Decree 86 that have a material impact on the Bank’s consolidated financial statements in the future include the following:

Regarding the classification of assets with credit risk, Circular 31 supplements requirements for debts arising from L/C operations, and removes requirements for purchases of promissory notes and bills of credit domestically issued by credit institutions, foreign bank branches;

- Regarding methods and principles of debt classification, Circular 31 amends and supplements requirements relating to the following: the principles of classification of entrusted amounts to issue letters of credit; the debts that a credit institution accepting mandatory transfer sells to a credit institution undergoing mandatory transfer according to a mandatory transfer plan approved by a competent authority, but proceeds from selling debts have not been fully recovered; the payment amount for purchase or for entrustment to purchase unlisted bonds whose terms can be extended in accordance with the law; discounting negotiable instruments and other valuable papers; debts arising from L/C operations; loans

and deposits of a supporting credit institution at a special-control credit institution; loans, guarantees, deposits of credit institutions accepting mandatory transfer and other credit institutions at commercial banks undergoing mandatory transfer; debts that have their repayment terms restructured;

- For debts whose interest are exempted or reduced in according to the State Bank's regulations on restructuring debt repayment terms, exempting or reducing interest and fees, maintaining the debt group to support customers affected by Covid-19 are allowed to be reclassified into lower risk debt groups (including group 1) when fully meeting the conditions as prescribed in Circular 31;
- The deductible value of collateral shall be considered as zero for specific cases stipulated in Decree 86; and
- Other debts arising between credit institutions and foreign bank branches in Vietnam from activities governed by Decree 86 are not subject to Totaling.

Decision No.1510/QD-TTg and Circular No. 53/2024/TT-NHNN dated 04 December 2024

On 04 December 2024, the Prime Minister issued Decision No.1510/QD-TTg ("Decision 1510") on the classification of assets, the risk provisioning levels and methods, and the use of provisions to handle risk related to loans of borrowers in difficulties due to the impact and damage of Storm No.3. On the same date, State Bank of Vietnam (SBV) issued Circular No. 53/2024/TT-NHNN ("Circular 53") stipulating the restructuring of loan repayment terms for borrowers in difficulties due to the impact of Storm No. 3 and flooding, landslides in the aftermath of Storm No. 3. Circular 53 takes effect from 04 December 2024.

Key provisions of Circular 53 that have an impact on the Bank's consolidated financial statements for the current year include the following:

- Regulations on the conditions of loans eligible for restructuring, including the outstanding principal and/or interest that are restructured in terms of repayment deadlines, and the permission to maintain the debt group and classification after restructuring debt repayment terms; and
- Regulations for the restructuring of debt repayment terms for eligible customers under Circular 53 which will be implemented from the effective date of this Circular until 31 December 2025, with no limitation on the number of times repayment terms to be restructured.

The Board of Management has applied the Law on Credit Institutions in 2024, Decree 86, Decision 1510 and the aforementioned Circulars in the Bank's consolidated financial reporting for the year ended 31 December 2024.

New guidance in issue but not yet effective

Law No. 56/2024/QH15 dated 29 November 2024

On 29 November 2024, the National Assembly of Vietnam issued Law No. 56/2024/QH15 ("Law 56") amending Law on Securities, Law on Accounting, Law on Independent Audit, Law on State budget, Law on Management and Use of Public Property, Law on Tax Administration, Law on Personal Income Tax, Law on National Reserves and Law on Penalties for Administrative Violations. Law 56 takes effect from 01 January 2025, except for certain provisions effective from 01 April 2025 and 01 January 2026.

The Board of Management assesses that the adoption of the Law 56 may not have any material impact on the comparative figures of the Bank's consolidated financial statements in future periods.

4. Summary of significant accounting policies

The significant accounting policies which have been adopted by the Bank in the preparation of these consolidated financial statements, are as follows:

Estimates

The preparation of the consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the operating year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates and assumptions.

Basis of consolidation

The consolidated financial statements incorporate the separate financial statements of the Bank and the financial statements of the enterprises/bank controlled by the Bank ("its subsidiaries") for the year ended 31 December 2024. Control is achieved when the Bank has the power to govern the financial and operating policies of investee enterprises so as to obtain benefits from their activities.

The operating results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Bank. All internal transactions and balances between the Bank and its subsidiaries and among subsidiaries are eliminated in the consolidated financial statements.

In the year, the Bank divested part of capital invested in a subsidiary. After the divestment, the Bank lost control and this subsidiary became an affiliated company of the Bank. Therefore, investments in associates are presented using the equity method. The results of the divestment are recorded in the consolidated income statement according to current accounting regulations.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the initial business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

Upon acquisition, the assets, liabilities and contingent liabilities of the subsidiaries are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Investments in Associates

An associate is an entity over which the Bank has significant influence but not a subsidiary or joint venture of the Bank. Significant influence is the power to participate in the financial and operating policy decisions of the investee without the power to control or joint control over those policies.

The operating results, assets and liabilities of associates are consolidated in the consolidated financial statements using the equity method of accounting. Under this method, an equity investment is initially recorded at cost and is subsequently adjusted to reflect by post-acquisition changes in the Bank's share of the net assets of the associates. The associate losses exceeding the Bank's capital contribution to that associate (including any long-term contributions, in substance, form part of the Bank's net investment in the associate) are not recorded.

In the situation that a Bank's subsidiary has conducted transactions with its associate, unrealised profits and losses resulting from these transactions should be eliminated from the consolidated financial statements proportionately to the extent of the Bank's contribution in the associate.

Foreign currencies

According to the Bank's accounting system, all the transactions are recorded at the original currencies. At the date of the consolidated financial statements, monetary assets and liabilities denominated in foreign currencies are translated into VND using the average buying and selling spot exchange rates at the close of business of the statement of financial position date, if the difference between this rate and the weighted average exchange rate of buying and selling of the same day is less than 1% (see details of exchange rates applied on 31 December 2024 at Note 54). In case the buying and selling spot exchange rate at the close of business of the statement of financial position date is greater than or equal to 1% compared with the weighted average of buying and selling spot exchange rate of the same day, the Bank uses the weighted average buying and selling spot exchange rates of the statement of financial position date for conversion. Income and expenses arising in foreign currencies of the Bank are converted into VND at exchange rates ruling at the transaction dates. At the end of the year, exchange rate differences arising from revaluation of assets and liabilities denominated in foreign currencies into VND are recorded in the consolidated income statement.

The reporting currency of SHB Cambodia is the US Dollar. The reporting currency of the SHB Laos is the Lao Kip ("LAK"). For the purposes of consolidation under the equity method for the investment in associated companies in the consolidated financial statements of the Bank and its subsidiaries, assets and liabilities are converted into VND at the average exchange rate of buying and selling spot transfers at the end of the working day on the statement of financial position date, capital accounts are converted into VND at the exchange rate of the date on which the capital contribution transaction arises. Items in the consolidated income statement and cash flow statement are converted at the actual exchange rate at the time the transaction arises. Exchange rate differences arising from the conversion of the report to VND are recorded in the item "Foreign exchange differences" on the consolidated financial position and transferred to the consolidated income statement at the time of the investment disposal.

Cash and cash equivalents

Cash and cash equivalents comprise cash, current accounts at the SBV, current accounts and time deposits for term of three months or less from the deposit date.

Placements with and loans to other credit institutions

Placements with and loans to other credit institutions are presented at their principal amounts outstanding at the end of the financial year.

The credit risk classification for placements with and loans to other credit institutions and the corresponding provisioning shall comply with the provisions of the Circular 31 and Decree 86. Accordingly, the Bank makes specific provisions for deposits (except for current deposits at other domestic credit institutions and foreign bank branches, and placements with Vietnam Bank for Social Policies following the regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and deposits (except for current deposits) at overseas credit institutions in a similar way to those for loans to customers.

Derivatives

Foreign currency forward and swap contracts

For foreign currency forward and swap contracts, the difference between equivalent VND amounts of foreign currency purchase/sale commitments using forward exchange rate and spot exchange rate as at effective date of the contract is recognized immediately at the effective date of the contract in lines “Interest and fee receivables” or “Interest and fee payables” in the consolidated statement of financial position. The difference is subsequently allocated to “Net gain/(loss) from trading foreign currency trading” item using straight-line method over the term of the contract.

As at the date of the consolidated financial statements, commitments of foreign currency forward contracts are revaluated and exchange differences arising from the revaluation of foreign currency denominated balances of forward contracts in the consolidated statement of financial position and in the consolidated income statement.

Loans to customers

Loans to customers are disclosed and presented at their principal amounts outstanding at the end of the financial year.

Provision for credit losses

Loan classification and provision for credit losses

In accordance with Circular 31 and Decree 86, the Bank is required to apply loan classification and credit risk provisioning to the Assets (hereinafter referred to as “debts”) including:

- Loans;
- Finance leasing;
- Discounts, rediscounts of negotiable instruments and other valuable papers;
- Factoring;
- Credit facilities in the form of credit card issuance;
- Payments on behalf under off-balance-sheet commitments include payments made on behalf of customers under transactions of guarantee and letters of credit (L/C) (except for payments made on behalf of customers under transactions of Usance Payable at Sight (UPAS) L/C that allow the beneficiary to be paid immediately or before the L/C due date, and those under transactions of L/C reimbursement as agreed with customers using the reimbursing bank’s funds from the date the reimbursing bank pays the beneficiary; transactions of L/C payment negotiation) and other payments made on behalf of customers under off-balance sheet commitments;
- Amounts for purchase and entrustment of purchase of corporate bonds (including bonds issued by other credit institutions) which have not yet been listed on stock exchanges nor registered for trading on the UPCoM trading system (hereinafter referred to as unlisted bonds), excluding the purchase of unlisted bonds with trusted funds to which the trustee bears the risk;
- Credit granting entrustment;
- Deposits (except for current accounts at other domestic credit institutions and foreign bank branches, and deposits at Vietnam Bank for Social Policies following regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions) at other credit institutions and foreign bank branches as prescribed by law, and deposits (except for current deposits) at overseas credit institutions;

- Debt sale and purchase according to the State Bank's regulations except for bad debt buying and selling transactions conducted between credit institutions or foreign bank branches and Vietnam Asset Management Company (VAMC);
- Repos of Government bonds in the stock market following the law on issuance, registration, depository, listing and trading of Government debt securities in the stock market;
- Purchase of certificates of deposit issued by other credit institutions and foreign bank branches;
- Transactions of Usance Payable at Sight (UPAS) L/C that allow the beneficiary to be paid immediately or before the L/C due date, and those under transactions of L/C reimbursement as agreed with customers using the reimbursing bank's funds from the date the reimbursing bank pays the beneficiary; transactions of L/C payment negotiation; and
- Non-recourse discounting L/C, except the case L/C is issued by the Bank.

Accordingly, customers' loans are determined to be the highest of risk group as classified under Article 10 of Circular 31 and customers' highest debt group at credit institutions provided by the Credit Information Center ("CIC") of the SBV at the time of loan classification:

The Bank maintains the same debt group for a number of loans in accordance with the regulations of:

- Circular No. 10/2015/TT-NHNN dated 22 July 2015 guiding the implementation of some contents of the Government's Decree No. 55/2015/ND-CP dated 09 June 2015 ("Decree 55") on credit policies for agricultural and rural development; Circular No. 02/2023/TT-NHNN ("Circular 02") dated 23 April 2023, Circular No. 06/2024/TT-NHNN ("Circular 06") dated 18 June 2024 and Circular No. 53/2024/TT-NHNN (Circular 53") dated 04 December 2024 of the SBV providing instructions for credit institutions and foreign bank branches on debt rescheduling and debt category maintaining to assist borrowers in difficulty and documents of the SBV on debt classification and risk provisioning.
- Circular No. B7.020.001.SRNN dated 27 March 2020, and Document No. B7.020.1748 Chh.Tor dated 18 November 2020; Circular No. B7-021-002-CL dated 24 June 2021, of the National Bank of Cambodia on loan classification for customers affected by the Covid-19 pandemic; Document No. "Thor 7-020-055 Chhor.Tor" dated 6 January 2020, and Document No. "B7.021.2098 Chhor.Tor" dated 7 December 2021, of the Director General of the Banking Supervision Department of the National Bank of Cambodia on loan classification for certain customers, Circular No. B7.024.001.SRNN dated August 29, 2024, regarding the restructuring of credit.
- Decision No. 238/BOL dated 26 March 2020, of the Bank of the Lao People's Democratic Republic on loan classification for customers affected by the Covid-19 pandemic; Notification No. 172/BOL dated 15 May 2017, of the Governor of the Central Bank of Laos and other documents of the Central Bank of Laos on loan classification for certain customers

Loans are classified by risk level into the following groups: Standard, Special mention, Substandard, Doubtful and Loss. Loans classified as either Substandard, Doubtful or Loss are considered bad debts. Loan classification and provision for credit losses will be made at the end of each month and recognized in the following month. Provision for credit losses as at 31 December is recognized in the separate income statement for that year.

VII. Financial Statements

The specific provision at the year-end date is calculated by subtracting the discounted value of collateral from the remaining loan balance multiplied by the specific provision rate based on the loan classification result at the year-end. The specific provision rate for each debt group as prescribed in Decree 86 is prescribed as follows:

Group	Type	Provision rate
1	Standard	0%
2	Special mention	5%
3	Substandard	20%
4	Doubtful	50%
5	Loss	100%

The additional specific provision to be made is specified in Circular 02. Accordingly, the Bank is required to make specific provision for debts to customers whose repayment terms of the remaining principal balance are rescheduled as prescribed by this Circular as follows:

- Up to 31 December 2023: by at least 50% of the specific provision to be additionally made; and
- Up to 31 December 2024: 100% of the specific provision to be additionally made.

Following Decree 86, a Total is made for credit losses that are yet to be identified during the loan classification and specific provisioning process as well as in cases where the credit institutions encounter potential financial difficulties due to the deterioration in loan quality. Accordingly, the Bank is required to make and maintain a Total at 0.75% of the total outstanding loan balances which are classified into groups 1 to 4, excluding deposits at domestic credit institutions and foreign bank branches in Vietnam as prescribed by law and deposits at overseas credit institutions; loans and forward purchase of valuable papers among credit institutions and foreign bank branches in Vietnam; purchases of certificates of deposit or bonds issued locally by other credit institutions and foreign bank branches; and repurchase agreements of Government bonds on the stock market in accordance with the legal regulations on issuance, registration, depository listing and trading of government debt instruments in the stock market and other debts arising between credit in institutions and foreign bank branches in Vietnam in accordance with the provisions of law.

Overseas subsidiaries classify loans and make credit risk provisions in accordance with the laws of their respective countries.

Write-off of bad debts

Provision is recorded as an expense on consolidated income statement and used to write – off bad debts. In accordance with Decree 86, the Bank must set up Risk Management Committee to deal with bad debts if they are classified as Group 5, or if borrowers are either liquidated or bankrupted legal entities, or deceased or missing individual.

Classification of off-balance-sheet commitments

Ngân The Bank classifies guarantee, acceptances of payment and irrevocable loan commitments and other credit risk-bearing commitments (collectively referred to as “off-balance-sheet commitments”) into groups as stipulated in Article 09, Article 10 of Circular 31. Accordingly, off-balance-sheet commitments are classified by risk level into the following groups: Standard, Special mention, Substandard, Doubtful and Loss.

The Bank does not make general and specific provisions for off-balance-sheet commitments in accordance with the guidance of Decree 31.

Investments

Trading securities

Trading securities are debt and equity securities that the Bank and/or its subsidiaries acquire outright with the intention of selling them in the short term to profit from price fluctuations. Trading securities are initially recognized at cost on the trade date and continue to be recorded at cost during the holding period. Interest received in cash during the holding period is recognized in the consolidated income statement on a cash basis. Dividends received during the holding period are recognized in the consolidated income statement on a cash basis or when a legal entitlement to the dividend is established.

These securities are subject to impairment review at the date of the consolidated financial statements. Provisions for securities that are stipulated in the scope of Circular 31 (as described in the summary of significant accounting policies for “Provision for credit losses”) are made in accordance with Decree 86. Provisions for impairment of securities that are not stipulated in the scope of Circular 31 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recognized in the consolidated income statement as “Net gain/ (loss) from trading securities”.

Investment securities

Available-for-sale investment securities

Available-for-sale (AFS) securities include debt and equity securities in which the Bank and/or its subsidiaries hold less than 11% of the voting rights for investment purposes and are ready for sale. These securities are not frequently traded but can be sold at any time if deemed beneficial. Additionally, the Bank and/or its subsidiaries are neither founding shareholders, strategic partners, nor do they have significant influence over the financial and operational policy-making of the investee through formal agreements on appointing personnel to the Board of Directors or Executive Management.

Available-for-sale equity securities are recognized at cost at the transaction date and subsequently recorded at cost during the holding period.

Available-for-sale debt securities are initially recognized at par value at the transaction date. Accrued interest before the acquisition date (for debt securities with interest payment in arrears) or interest income received upfront awaiting amortisation (for debt securities with interest payment in advance) is recorded in a separate account. Any discount or premium, which is the difference between the cost and the amount equal to par value plus (+) accrued interest before the acquisition date (if any) or minus (-) interest received upfront awaiting amortisation (if any), is also recorded in a separate account.

During the term of those securities in subsequent period, these securities are recorded at par value, and the discount/premium (if any) is amortised into the consolidated income statement using the straight-line method over the remaining term of securities. The interest received during the securities term is recorded as follows: accumulative interest income before the purchasing date is recorded as a decrease from the cost of such securities and the same amount is credited into the accrued interest income; accumulative interest income after the purchasing date is recognised as the Bank's income on an accrual basis. Interest received in advance is recorded as income from securities investment using straight-line method over the period of securities investment.

Periodically, available-for-sale securities are subject to impairment review. Provisions for securities that are stipulated in the scope of Circular 31 (as described in the summary of significant accounting policies for “Provision for credit losses”) are made in accordance with Decree 86. Provisions for impairment of securities that are not stipulated in the scope of Circular 31 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the consolidated income statement as “Net gain/(loss) from investment securities”.

VII. Financial Statements

Held-to-maturity investment securities

Held-to-maturity (HTM) investment securities are debt securities that the Bank and/or its subsidiaries acquire outright for investment purposes to earn interest and have both the intent and ability to hold until maturity. These securities have a determinable value and a specific maturity date. If such securities are sold before maturity, they will be reclassified as trading securities or available-for-sale securities. Held-to-maturity investment securities are accounted for similarly to available-for-sale debt investment securities.

Periodically, held-to-maturity securities are subject to impairment review. Provisions for securities that are fallen within the scope of Circular 31 (as described in the summary of significant accounting policies for “Provision for credit losses”) are made in accordance with Decree 86. Provisions for impairment of securities that are not fallen within the scope of Circular 31 are made when their carrying values are higher than their market values determined in accordance with prevailing accounting regulations. Provision for impairment is recorded in the consolidated income statement as “Net gain/(loss) from investment securities”.

Reclassification

According to Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 by the SBV, reclassification after transaction date is made only once for each item of investment securities. In special cases or in case a large number of securities has to be reclassified (greater than or equal to 50% of total value of the portfolio), the Bank will disclose the effect of reclassification on total assets, liabilities, equity, income and expenses of the Bank in the consolidated financial statements.

Other long-term investments

Other long-term investments represent the Bank's capital investments in other enterprises at which the Bank either owns less than 11% of the voting rights or is a founding shareholder; or a strategic partner; or is capable of controlling, to some extent, the process of initiating and approving financial and operating policies of the investees, which is evidenced by a written agreement on delegating personnel for representation in the Board of Directors/Board of Management. These investments are initially recognized at cost at the transaction date and always carried at that cost during the subsequent holding period.

Provision for impairment of investments

Provision for impairment of investments in subsidiaries, joint ventures, associates and other long-term investments is made when the investee is operating at loss in accordance with prevailing accounting regulations.

Provision for impairment of long-term investments is recognized as an operating expense in the consolidated income statement. In case an investment is made in listed shares, or the fair value of an investment is reliably determined, the provision is made based on the market value of the stock (similar to the provision for impairment of trading securities).

Recognition

The Bank and/or its subsidiaries recognize investments in securities and other investments on the contract execution date (trade date accounting). These investments are initially recorded at cost. After initial recognition, investments in securities and other investments are accounted for in accordance with the accounting policies outlined in the preceding sections.

Derecognition

Investments in securities and other investments are derecognized when the rights to receive cash flows from the investments end or when the Bank and/or its subsidiaries transfers to the buyer the significant risks and rewards associated with the ownership of the investments.

Trust activities and trusted funds

The value of trusted funds is recorded when the trust contracts have been signed and trusted funds have been realised. Rights and obligations of the trustor and trustee relating to profit and profit sharing, trust fee, other rights and obligations are following the terms of the signed contracts. The assets that are held under custody services are not considered as assets of the Bank and/or its subsidiaries and therefore, they are not recognized in the consolidated financial statements of the Bank.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed asset comprises all the Bank and/or its subsidiaries' purchase price plus any directly attributable costs of bringing the asset to the working condition for its intended use.

Expenditures for additions, improvements and renewals are capitalized and expenditures for maintenance and repairs are charged to the consolidated income statement when incurred. When assets are sold or disposed, their cost and accumulated depreciation are written off from the consolidated statement of financial position and any gains or losses resulting from their disposals are recorded in the consolidated income statement.

Intangible assets

Intangible assets are stated at cost less accumulated amortization. The cost of an intangible asset comprises all the Bank and/or its subsidiaries' expenditures paid to acquire the asset until it is put into use.

Expenditures for improvements and renewals are capitalized. Costs related to intangible fixed assets incurred after the initial recognition are measured reliably, increasing the economic benefits of intangible fixed assets compared to the initial activity, which is reflected in the increase in the cost of the asset. Other expenditures are charged to the consolidated income statement when incurred. When intangible assets are sold or disposed, their cost and accumulated amortisation are written off from the consolidated statement of financial position and any gains or losses resulting from their disposals are recorded in the consolidated income statement.

Leases

A lease is classified as a finance lease when significant rights and risks relating to ownership of the leased item are transferred to the lessee. All leases other than finance leases are classified as operating leases.

A lease is classified as an operating lease when the lessor retains most of the benefits and bears the risk of ownership of the property. Operating leases are not recognized on the consolidated financial position statement. Lease payable is recorded on a straight-line method in the "Operating Expenses" item during the lease term.

VII. Financial Statements

Depreciation and amortization

Depreciation and amortization of tangible fixed assets and intangible assets are calculated on a straight-line basis over the estimated useful lives of the assets.

Assets	Estimated useful lives (Years)
Buildings and structures	(Years)
Machinery and equipment	03 - 05
Motor vehicles	06 - 10
Office equipment	03 - 07
Other tangible fixed assets	04 - 07
Computer software	03 - 08
Other intangible assets	04 - 10

The cost of the land use rights is not amortized if it is granted by the Government of Vietnam for an indefinite term. The cost of the land use rights with definite term is amortized over the granted term from 30 - 46 years.

Prepayments

Prepayments include actual expenses that have arisen but are related to the results of production and business activities of many accounting periods. Prepayments comprise prepaid office rentals and other prepaid expenses.

Office rentals represent the amounts which have been paid in advance. Prepaid office rental is charged to the consolidated income statement using the straight-line method over the rental period.

Other prepayments include repair, maintenance costs for assets, costs of tools and supplies issued for consumption, which are expected to provide future economic benefits to the Bank and/or its subsidiaries. These expenses are capitalized as prepayments and are allocated to the consolidated income statement using the straight-line method over the period of one year or more, but not exceeding three years in accordance with prevailing accounting regulations.

Receivables

Receivables other than those from credit activities in the Bank's operation are initially recognized at cost and subsequently recorded at cost. Other receivables are subject to impairment review based on the overdue status or based on the expected loss for the following cases: institutional debtors who have fallen into bankruptcy or have been in the process of dissolution; or individual debtors who are missing, escaping, prosecuted, on trial or passed away even though receivables are not overdue. Provision expense incurred is recorded as "Operating expenses" in the consolidated income statement during the year.

Provision rates for overdue receivables are applied in accordance with the prevailing accounting regulations.

Other provisions

Other provisions are recognized when the Bank has a present obligation due to a past event, and it is probable that the Bank will be required to settle that obligation. Other provisions are measured at the Board of Management's best estimate of the expenditure required to settle the obligation at the financial year.

Capital and reserves

Common shares

Common shares are classified as owners' equity.

Share premium

When capital is received from shareholders, the difference between selling price and par value is recorded as share premium in owners' equity. Incurred expenses that directly relate to the issuance of common shares are recognized as a decrease in share premium.

Treasury shares

When issued shares are repurchased, the aggregate amount paid, including expenses that directly relate to the repurchase of shares, after deducting taxes, is recorded as treasury shares, and stated as a decrease in owners' equity.

Reserves

Reserves are used for specific purposes and are appropriated from the Bank's profit after tax based on the regulated ratios in the following sequence:

- Charter capital supplementary reserve: 5% of profit after tax but not exceeding the Bank's charter capital;
- Financial reserve fund: 10% of profit after tax;
- Other reserves, if any, will be approved by the shareholders at the Annual General Shareholders' Meeting;
- The bonus and welfare fund shall be established according to the decision of the General Shareholders' Meeting.

The reserve funds at subsidiaries shall be made according to the Bank's policy, except for the following banks, which is in accordance with relevant laws:

- Saigon – Hanoi Bank Laos Limited (“SHB Laos”): regulatory reserves, development investment and other fund under the amended Enterprise Law No. 46/NA dated 26 December 2013 and the amended Law on Commercial Banking in 2018 issued update by the Lao National Assembly on 07 December 2018 with the following ratios:
 - + Regulatory reserve: 10% of profit after tax, maximum not exceeding 50% of charter capital of the Bank;
 - + Development investment and other funds: according to the decision of the Board of Directors of SHB Laos.
- Saigon-Hanoi Bank Cambodia Limited (“SHB Cambodia”): there are no regulations on the appropriation of compulsory reserve funds and subject to owner's approval.

Revenue and expenses

Interest income/expense and similar items

Interest income and interest expenses are recognized in the consolidated income statement on the accrual basis. The recognition of accrued interest income arising from the loans that are classified from group 2 to group 5 in accordance with Circular 31, accrued interest income on loans restructured and maintained as Standard loan group (group 1) as prescribed in Circular 02, Circular 06, Circular 53 and Decree 55 will not be recognized in the consolidated income statement. Accrued interest income on such loans is recorded as an off-balance-sheet item and is recognized in the consolidated income statement upon actual receipt.

VII. Financial Statements

Income and expenses from interest on investments are recorded on the accrual basis. Accrued interest income of securities that are fallen within the scope of Circular 31 and classified from upper group 2 is not recognized in the consolidated income statement for the year. These accruals are recorded as off-balance-sheet items and are only recognized in the consolidated income statement upon actual receipt.

Income from service charges and commissions

Income from service charges and commissions is recognized when service is rendered.

Income from guarantee and L/C commitment activities

Income from guarantee and L/C commitment activities is recognized on the accrual and allocation basis

Income from securities trading

Income from securities trading is determined based on the difference in selling price and cost of securities sold.

Recognition of dividends and profits received

Cash dividends and profits received from investment and capital contributions activities are recorded in the consolidated income statement when the Bank's right to receive dividends and profits has been established. Share dividends, which are distributed from profits of joint stock companies, are recognized neither as an increase in the value of received shares nor financial income in the consolidated financial statements but are only used for tracking the increase in the number of shares according to Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance.

Revenue from other services

When the contract results can be determined reliably, revenue will be recognized based on the level of work completion. If the contract results cannot be determined reliably, revenue will only be recognized at the recoverable level of the recorded expenses.

Recognition of accrued income not yet collected

According to Circular No. 16/2018/TT-BTC dated 07 February 2018 issued by the Ministry of Finance, receivables recognized as accrued income but subsequently assessed to be not recoverable or not yet recoverable at the due date are recorded as reduction in revenue if the income has been accrued in the same financial year or recorded as other expenses if accrued in different financial year and monitored off-balance-sheet. Upon actual receipt of these receivables, the Bank recognizes them in "Other income" in the consolidated income statement.

Taxation

Corporate income tax expense represents the sum of the current income tax and deferred tax.

The current income tax is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on temporary differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences unless they occur from the initial recognition of an asset or liability of a transaction which has no impact on accounting profit or taxable profit/(loss) at the transaction date. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset is realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Bank intends to settle its current tax assets and liabilities on a net basis.

The determination of the current corporate income tax expense is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Employee benefits

Post-employment benefits

Retired employees of the Bank and subsidiaries will receive retirement benefits from Social Insurance, an agency under the Government. The Bank must pay social insurance premiums for each employee equal to 30% of the basic monthly salary, salary allowances and other supplements.

Severance allowance

According to Article 46 of Labour Law No 45/2019/QH14 which is effective on 1 January 2021, the Bank and its subsidiaries in Vietnam are responsible for paying a severance allowance equal to half of the month's salary for each working year for employees who have worked regularly for full 12 months or more to terminate the labor contract in accordance with the provisions of law (in Clauses 1, 2, 3, 4, 6, 7, 9 and 10 Article 34 of the Labor Law), except for cases where they are eligible for pension in accordance with the law on social insurance and the case specified at Point e, Clause 1, Article 36 of the Labor Law 2019. The working time for calculating severance allowance is the total time the employee has actually worked for the employer minus the time the employee has participated in unemployment insurance in accordance with the law on unemployment insurance and the working time has been paid severance allowance by the employer, job-loss benefits. The salary for calculating severance allowance is the average salary of 06 preceding months according to the labor contract before the employee quits.

Unemployment insurance

According to the Circular No. 28/2015/TT-BLĐTBXH dated 31 July 2015 of the Ministry of Labor - War Invalids and Social Affairs guiding the implementation of Article 52 of the Employment Law 2013 and Decree No. 28/2015/NĐ-CP of the Government dated 12 March 2015 regulating the implementation of the Law on unemployment insurance, from 01 January 2009, the Bank is obliged to pay unemployment insurance to eligible employees at 2% of their salary fund allocated for unemployment insurance.

Related parties

The parties are related if one party has the ability to control the other party or exercise significant influence over the other party in making decisions on financial and operating policies. A party is considered as a related party with the Bank if:

- a. Directly or indirectly through one or more intermediaries, the party:
 - Controls, or is controlled by, or is under common control by the Bank (including the holding company and its subsidiaries);

VII. Financial Statements

- Contributes capital to the Bank and therefore has significant influence over the Bank;
 - Has joint control over the Bank;
- b. The party is a joint venture or an associate of which the Bank is a venturer or an investor;
- c. The party has a key management personnel who is also a member of the Board of Directors, Board of Supervisors, and Board of Management of the Bank;
- 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, directly or indirectly controlled, jointly controlled, or significantly influenced by, or of which, significant voting power in such entity resides with, any individual referred to in (c) or (d).

Offsetting

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

5. Cash

	Closing balance VND Million	Opening balance VND Million
Cash in VND	1,263,714	1,116,039
Cash in foreign currencies	299,795	254,810
	1,563,509	1,370,849

6. Balances with the state bank of vietnam (“sbv”)

	Closing balance VND Million	Opening balance VND Million
Current account at the SBV		
- In VND	25,850,244	48,007,054
- In foreign currencies	1,586,692	6,756,592
	27,436,936	54,763,646

Balances with the SBV are for the purpose of payment and compulsory reserves as required by the SBV, the National Bank of Cambodia and the Central Bank of Laos.

7. Placements with and loans to other credit institutions

	Closing balance VND Million	Opening balance VND Million
Placements with other credit institutions		
Demand deposits	12,693,973	11,894,463
- In VND	12,022,685	9,967,425
- In foreign currencies	671,288	1,927,038
Term deposits	79,941,590	42,931,442
- In VND	73,459,669	42,810,000
- In foreign currencies	6,481,921	121,442
	92,635,563	54,825,905
Loans to other credit institutions		
- In VND	24,713,260	8,841,433
- Provisions for credit losses	-	(118,410)
	24,713,260	8,723,023
Placements with and loans to other credit institutions	117,348,823	63,548,928

Analysis of placements with other credit institutions (except for current deposits at other domestic credit institutions and foreign bank branches, and placements with Vietnam Bank for Social Policies following the regulations of the SBV on maintaining the balance of deposits at Vietnam Bank for Social Policies of state credit institutions under Circular 31) and loans to other credit institutions by quality is as follows:

	Closing balance VND Million	Opening balance VND Million
Standard loans	104,654,850	52,031,337
Loss loans	-	118,410
	104,654,850	52,149,747

8. Provision for credit losses on placements with and loans to other credit institutions

	General provision VND Million	Specific provision VND Million	Total VND Million
Balance as at 01 Jan 2023	-	99,794	99,794
Provision charged in 2023	-	18,616	18,616
Balance as at 31 Dec 2023	-	118,410	118,410
Provision revised in 2024	-	(118,410)	(118,410)
Balance as at 31 Dec 2024	-	-	-

9. Trading securities

	Closing balance VND Million	Opening balance VND Million
Debt securities	4,945,728	7,849,272
Securities issued by local business entities	4,945,728	7,849,272
Equity securities	3,880	3,880
Equity securities issued by local business entities	3,880	3,880
	4,949,608	7,853,152
Provisions for impairment of trading securities	(39,152)	(60,410)
Provisions for impairment	(2,059)	(1,540)
Total	(37,093)	(58,870)
	4,910,456	7,792,742

Listing status of trading securities is as follows:

	Closing balance VND Million	Opening balance VND Million
Debt securities	4,945,728	7,849,272
Unlisted	4,945,728	7,849,272
Equity securities	3,880	3,880
Listed	2,965	2,965
Unlisted	915	915
	4,949,608	7,853,152

Analysis of trading securities by quality classified as credit risk assets:

	Closing balance VND Million	Opening balance VND Million
Standard	4,945,728	7,849,272
	4,945,728	7,849,272

10. Derivatives and other financial assets/(liabilities)

Details of derivatives as at 31 December 2024 are as follows:

	Total contract value (at exchange rate at the effective date of the contract)	Net book value (at exchange rate as at the reporting date)		
		Assets	Liabilities	Net amount
		VND million	VND million	VND million
As at 31/12/2024				
Currency derivative financial instruments				
- Forward contracts	591,388	591,388	(612,972)	(21,584)
- Swap contracts	12,292,401	5,752,627	(5,778,970)	(26,343)
Other derivative financial instruments				
- Interest rate swap				
Giao dịch hoán đổi lãi suất	2,534,000	1,260,000	(1,274,000)	(14,000)
	15,417,789	7,604,015	(7,665,942)	(61,927)
As at 31/12/2023				
- Forward contracts	706,520	706,525	(715,608)	(9,083)
- Swap contracts	13,233,556	1,133,159	(1,221,228)	(88,069)
	13,940,076	1,839,684	(1,936,836)	(97,152)

11. Loans to customers

	Closing balance VND Million	Opening balance VND Million
Loans to local business entities and individuals	519,927,231	438,396,964
Payments made on behalf of customers	22,760	67,183
	519,949,991	438,464,147

VII. Financial Statements

Analysis of loan portfolio by quality

	Closing balance VND million	Opening balance VND million
Standard loans	499,504,873	416,692,179
Special-mentioned loans	5,380,404	8,532,749
Sub-standard loans	1,969,398	761,107
Doubtful loans	2,052,495	2,493,596
Loss loans	11,042,821	9,984,516
	519,949,991	438,464,147

Analysis of loans portfolio by original term

	Closing balance VND million	Opening balance VND million
Short-term loans (Up to 1 year)	204,689,879	184,512,736
Medium-term loans (From 1 to 5 years)	124,733,647	97,604,740
Long-term loans (Above 5 years)	190,526,465	156,346,671
	519,949,991	438,464,147

Analysis of loans portfolio by type of customers and businesses

	Closing balance VND million	Opening balance VND million
State-owned enterprises	1,334,812	1,961,411
Other limited companies	167,549,748	126,648,535
Joint stock company with more than 50% of the State's share holding (The state as a majority shareholder)	4,268,833	9,769,747
Other joint stock companies	261,101,750	213,556,250
Partnership companies	1,846	27,646
Private companies	1,774,117	5,996,418
Foreign invested enterprises	36,382	63,057
Cooperatives, cooperative unions	47,862	30,406
Household businesses, individuals	83,834,641	80,410,677
	519,949,991	438,464,147

Analysis of loans portfolio by industry

	Closing balance VND million	Opening balance VND million
Agriculture, forestry and aquaculture	9,928,660	24,197,149
Mining and quarrying	1,156,368	1,369,635
Manufacturing and processing	35,290,977	43,942,645
Electricity, fuel gas and hot water	20,414,795	21,424,673
Water supplying, garbage and sewage treatment and management	631,534	402,832
Construction	59,708,529	69,713,722
Wholesale and retail trade, repair of motor vehicles, motor cycles	145,776,795	123,776,536
Transport, warehouse	20,305,290	13,133,856
Hospitality services	12,181,267	2,890,657
Information and communications	148,159	106,645
Financial, banking and insurance	743,778	204,929
Real estate	127,568,519	73,269,016
Profession, science and technology	177,614	249,798
Administrative activities and supporting service	9,299,433	6,536,248
State management, security and national defense party, union, social guaranteed	390,456	206,654
Education and training	145,439	190,989
Health care and social work	164,704	60,083
Recreational, culture, sporting activities	484,660	144,495
Other service activities	65,747,797	48,949,416
Households	9,685,217	7,694,169
	519,949,991	438,464,147

12. Provisions for credit losses on loans to customers

Movements in provisions for credit losses on loans to customers for the year ended 31 December 2024 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	3,211,595	5,889,823	9,101,418
Provision made for the year	595,353	5,730,017	6,325,370
Provision used to write off bad debts	-	(6,654,308)	(6,654,308)
Other adjustments	5,030	19,331	24,361
Closing balance	3,811,978	4,984,863	8,796,841

VII. Financial Statements

Movements in provisions for credit losses on loans to customers for the year ended 31 December 2023 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	2,843,216	4,214,556	7,057,772
Provision made for the year	409,411	6,632,383	7,041,794
Provision utilised for the year	-	(4,432,650)	(4,432,650)
Impact of SHB FC Divestment	(43,797)	(533,615)	(577,412)
Other adjustments	2,765	9,149	11,914
Closing balance	3,211,595	5,889,823	9,101,418

13. Investment securities

13.1. Available-for-sale investment securities

	Closing balance VND million	Opening balance VND million
Debt securities	14,928,258	14,344,306
Government bonds	5,461,583	5,465,909
Debt securities issued by other domestic credit institutions	905,159	-
Debt securities issued by domestic business entities	8,561,516	8,878,397
Equity securities	28,657	29,453
Equity securities issued by other domestic credit institutions	-	796
Equity securities issued by domestic business entities	28,657	28,657
Provisions for impairment of available-for-sale investment securities	(65,327)	(66,071)
Provisions for impairment	(384)	(297)
General provision	(64,010)	(65,774)
Specific provision	(933)	-
	14,891,588	14,307,688

13.2. Held-to-maturity investment securities

	Closing balance VND million	Opening balance VND million
Debt securities	17,812,962	17,833,636
Government bonds	16,430,881	16,807,100
Debt securities issued by other domestic credit institutions	855,545	500,000
Debt securities issued by domestic business entities	526,536	526,536
Provisions for credit losses on held-to-maturity investment securities	(368,575)	(77,664)
General provision	-	(3,949)
Specific provision	(368,575)	(73,715)
	17,444,387	17,755,972

13.3. Quality analysis of securities classified as credit risk assets

	Closing balance VND million	Opening balance VND million
Standard	10,033,868	9,378,397
Special-mentioned	288,352	-
Sub-standard	-	526,536
Loss	526,536	-
	10,848,756	9,904,933

13.4. Biến động dự phòng chứng khoán Investment

Biến động số dư dự phòng rủi ro chứng khoán Investment For the year ended 31 December 2024 như sau:

	Provision for available-for-sale investment securities			Provision for held-to-maturity investment securities		Total
	General provision	Specific provision	Provisions for impairment	General provision	Specific provision	
	VND million	VND million	VND million	VND million	VND million	VND million
Opening balance	65,774	-	297	3,949	73,715	143,735
Provision (reversed)/made for the year	(1,764)	933	87	(3,949)	294,860	290,167
Closing balance	64,010	933	384	-	368,575	433,902

VII. Financial Statements

Movements in provision for credit losses on investment securities for the year ended 31 December 2023 are as followed:

	Provision for available-for-sale investment securities		Provision for held-to-maturity investment securities		Total
	General provision	Provisions for impairment	General provision	Specific provision	
	VND million	VND million	VND million	VND million	VND million
Opening balance	93,094	559	3,949	-	97,602
Provision made for the year	(27,320)	(262)	-	73,715	46,133
Closing balance	<u>65,774</u>	<u>297</u>	<u>3,949</u>	<u>73,715</u>	<u>143,735</u>

14. Capital contribution, long-term investments

	Closing balance VND million	Opening balance VND million
Investments in associates (14.1)	370,014	343,172
Other long-term investments (14.2)	158,272	158,272
Provisions for impairment of long-term investments (14.3)	(86,995)	(86,996)
	<u>441,291</u>	<u>414,448</u>

14,1 Investments in associates

	Closing balance			Opening balance		
	Cost in original currency	Cost equivalent	Proportion of ownership interest	Cost equivalent	Net value of investment using equity method	Proportion of ownership interest
	VND million	VND million	%	VND million	VND million	%
SHBank Finance Company Limited	336,604	370,014	50	336,604	343,172	50
		<u>370,014</u>			<u>343,172</u>	

14,2 Other long-term investments

	Closing balance VND million	Opening balance VND million
Investments in economic entities	114,258	114,258
Investments in financial institutions	44,014	44,014
	<u>158,272</u>	<u>158,272</u>

14,3 Provisions for impairment of long-term investments

	Closing balance VND million	Opening balance VND million
Opening balance	86,996	111,573
(Reversed) provision for the year	(1)	(24,577)
Closing balance	86,995	86,996

15. Tangible fixed assets

Movements in tangible fixed assets for the year ended 31 December 2024:

	Build- ing, struc- tures VND million	Machinery, equipment VND mil- lion	Motor vehicles VND mil- lion	Office equip- men VND million	Others VND million	Total VND mil- lion
Cost						
Opening balance	667,181	240,766	203,722	414,738	2,096	1,528,503
Acquisitions during the year	41,922	37,166	30,445	62,941	175	172,649
Foreign exchange difference	1,273	181	42	273	(6)	1,763
Disposals	(4,377)	(64,376)	(19,980)	(33,150)	-	(121,883)
Other increases/(decreases)	614	416	834	(377)	(1,550)	(63)
Closing balance	706,613	214,153	215,063	444,425	715	1,580,969
Accumulated depreciation						
Opening balance	207,917	208,214	141,041	235,777	576	793,525
Depreciation charged for the year	21,768	4,475	12,960	40,433	248	79,884
Foreign exchange difference	1,095	163	22	251	(6)	1,525
Disposals	(3,963)	(64,329)	(19,612)	(32,930)	-	(120,834)
Other increases/(decreases)	186	28	233	(83)	(377)	(13)
Closing balance	227,003	148,551	134,644	243,448	441	754,087
Net book value						
Opening balance	459,264	32,552	62,681	178,961	1,520	734,978
Closing balance	479,610	65,602	80,419	200,977	274	826,882

VII. Financial Statements

Other information about tangible fixed assets:

	Closing balance VND million	Opening balance VND million
Cost of tangible fixed assets fully depreciated but still in use	291,384	383,538

16. Intangible fixed assets

Movements in intangible fixed assets for the year ended 31 December 2024:

	Land use rights VND million	Computer software VND million	Others VND million	Total VND million
Cost				
Opening balance	4,360,370	442,555	23,004	4,825,929
Acquisitions during the year	-	38,083	-	38,083
Foreign exchange reserves		(34)	(42)	(76)
Other decreases	-	-	(45)	(45)
Closing balance	4,360,370	480,604	22,917	4,863,891
Accumulated amortisation				
Opening balance	6,754	305,734	19,003	331,491
Depreciation charged for the year	158	30,218	1,002	31,378
Foreign exchange reserves	-	(34)	(42)	(76)
Other decreases	-	-	(45)	(45)
Closing balance	6,912	335,918	19,918	362,748
Net book value				
Opening balance	4,353,616	136,821	4,001	4,494,438
Closing balance	4,353,458	144,686	2,999	4,501,143

Other information about intangible fixed assets:

Khoản mục	Closing balance VND million	Opening balance VND million
Cost of intangible fixed assets fully depreciated but still in use	234,418	219,994

17. Other assets

	Closing balance VND million	Opening balance VND million
Purchase of fixed assets and construction in progress	944,094	961,372
Receivables	32,537,712	17,899,290
<i>In which:</i>		
- Receivables from usance payable at sight letters of credit	6,534,129	10,104,025
- Receivables from sales of bonds	-	2,476,541
- Receivables from sales of debts	3,410,381	3,834,755
- Receivables related to the non-recourse discounting L/C issued by the Bank	20,591,524	-
- Other receivables	2,001,678	1,483,969
Interest and fee receivables	12,221,898	13,949,182
Other assets (17.2)	1,380,412	3,230,825
Provisions for impairment of other assets on balance sheet (17.3)	(124,212)	(86,402)
	46,959,904	35,954,267

17.1. Quality of other asset classified as credit risk assets

	Closing balance VND million	Opening balance VND million
Standard loans (i)	9,936,260	6,308,296
Loss loans	8,250	3,000
	9,944,510	6,311,296

- (i) The year-end balance includes receivables from the issuance of deferred payment letters of credit (L/C UPAS), with an agreement clause stating that the beneficiary will be paid immediately an amount of 6,534,129 million VND due to the impact of the application of Circular 31 and Decree 86 which were effective in 2024.

17.2. Purchase of fixed assets and construction in progress

	Closing balance VND million	Opening balance VND million
Purchase of fixed assets and construction in progress	944,094	961,372
<i>In which: Large construction works</i>		
- Constructions in the Northern area	169,927	140,929
- Constructions in the Southern area	200,070	200,070
	944,094	961,372

VII. Financial Statements

17.3. Other assets

	Closing balance VND million	Opening balance VND million
Foreclosed assets awaiting resolution	702,290	1,052,516
Awaiting-allocation expenses	579,177	748,270
Other assets	98,945	1,430,039
	1,380,412	3,230,825

17.4. Risk provisions for other assets

	Closing balance VND million	Opening balance VND million
Provisions for credit risk	85,994	50,312
- General provision	77,744	47,312
- Specific provision	8,250	3,000
Provisions for impairment of other assets	38,218	36,090
	124,212	86,402

Movements in provisions for impairment of other assets:

	General provision VND million	Specific provision VND million	Provision for bad debt VND million	Total VND million
Opening balance	47,312	3,000	36,090	86,402
Provision (reversed)/made for the year	30,432	5,250	2,217	37,899
Use of provisions during the year	-	-	(89)	(89)
Closing balance	77,744	8,250	38,218	124,212

18. Borrowings from the government and the sbv

	Closing balance VND million	Opening balance VND million
Borrowings from the SBV	1,242,864	1,333,658
Loans under credit contracts	1,242,864	1,333,658
	1,242,864	1,333,658

19. Deposits and borrowings from other credit institutions

Deposits from other credit institutions

	Closing balance VND million	Opening balance VND million
Demand deposits	25,515,684	12,261,777
- In VND	25,513,651	12,260,916
- In foreign currencies	2,033	861
Term deposits	98,210,387	53,024,313
- In VND	86,946,505	41,375,198
- In foreign currencies	11,263,882	11,649,115
	123,726,071	65,286,090

Borrowings from other credit institutions

	Closing balance VND million	Opening balance VND million
- In VND	1,237,743	852,369
- In foreign currencies	9,127,176	4,627,835
	10,364,919	5,480,204

20. Deposits from customers

	Closing balance VND million	Opening balance VND million
Demand deposits	37,158,355	43,074,214
- Demand deposits in VND	34,670,912	40,876,084
- Demand deposits in foreign currencies	2,487,443	2,198,130
Term deposits	460,850,837	402,524,549
- Term deposits in VND	451,873,649	394,742,416
- Term deposits in foreign currencies	8,977,188	7,782,133
Deposits for specific pupose	1,312	1,672
- Deposits for specific purpose in VND	1,005	1,398
- Deposits for specific purpose in foreign currencies	307	274
Margin deposits	1,886,067	1,902,991
- Margin deposits in VND	1,857,784	1,861,696
- Margin deposits in foreign currencies	28,283	41,295
	499,896,571	447,503,426

Customers deposit portfolio by type of customers and type of business

	Closing balance VND million	Opening balance VND million
Economic entities	112,242,619	104,196,216
Individuals	350,283,508	313,020,762
Others	37,370,444	30,286,448
	499,896,571	447,503,426

21. Grants, trusted funds and borrowings where the bank bears risks

	Closing balance VND million	Opening balance VND million
Grants, trusted fund and borrowings in VND	613,745	705,880
Grants, trusted fund and borrowings in foreign currencies	815,905	905,355
	1,429,650	1,611,235

22. Valuable papers issued

	Closing balance VND million	Opening balance VND million
Valuable papers in VND	39,248,195	42,821,727
Par value	39,248,195	42,821,727
	39,248,195	42,821,727

Details of the term of issued valuable papers:

Valuable papers	Bonds VND million	Certificate of deposit VND million	Total VND million
Closing balance			
Terms under 12 months	-	12,500,000	12,500,000
- VND	-	12,500,000	12,500,000
Terms from 12 months to under 5 years	4,000,000	12	4,000,012
- VND	4,000,000	12	4,000,012
Terms over 5 years	2,448,100	20,300,083	22,748,183
- VND	2,448,100	20,300,083	22,748,183
	6,448,100	32,800,095	39,248,195
Opening balance			
Terms under 12 months	-	19,310,000	19,310,000
- VND	-	19,310,000	19,310,000
Terms from 12 months to under 5 years	-	126	126
- VND	-	126	126
Terms over 5 years	2,448,100	21,063,501	23,511,601
- VND	2,448,100	21,063,501	23,511,601
	2,448,100	40,373,627	42,821,727

23. Other payables and liabilities

	Closing balance VND million	Opening balance VND million
Interest and fee payables	10,591,116	14,025,631
Deferred tax liabilities	22,049	36,030
Other payables and liabilities	2,827,363	2,207,252
In which:		
Internal payables	282,839	106,511
External payables	2,348,479	1,956,066
- <i>Taxes and other payables to State Budget (Note 24)</i>	<i>1,715,669</i>	<i>1,257,723</i>
- <i>Payables on payment intermediaries and other liabilities</i>	<i>541,961</i>	<i>580,834</i>
- <i>Other payables</i>	<i>90,849</i>	<i>117,509</i>
Bonus and welfare funds	196,045	144,675
	13,440,528	16,268,913

24. The bank's obligations to the state budget

	Opening balance VND million	Movement in the year		Closing balance VND million
		Payable VND million	Paid VND million	
Value added tax	13,719	131,838	94,347	51,210
Corporate income tax	1,217,757	2,261,274	1,858,625	1,620,406
Other taxes	26,247	531,067	513,261	44,053
	1,257,723	2,924,178	2,466,232	1,715,669

25. Capital and reserves

25.1. Statement of changes in equity

	Charter capita	Share premium	Treasury shares	Invest- ment and devel- opment fund	Finan- cial reserve	Capital supplemen- tary reserve	Other reserve	Foreign ex- change reserves	Retained earnings	Total
	VND mil- lion	VND million	VND million	VND million	VND million	VND million	VND million	VND mil- lion	VND million	VND mil- lion
Opening balance	36,193,981	1,449,603	(5,260)	48,172	3,384,369	1,704,535	1,022	(689,038)	8,010,896	50,098,280
Dividends payment (Note 25.4)	-	-	-	-	-	-	-	-	(1,831,206)	(1,831,206)
Capital increase (i)	435,104	-	-	-	-	-	-	-	-	435,104
Profit after tax for the year	-	-	-	-	-	-	-	-	9,321,949	9,321,949
Appropriation to reserves during the year (ii)	-	-	-	-	-	-	219,602	-	(292,803)	(73,201)
Temporary appro- priation to reserves during the year	-	-	-	-	913,204	913,204	-	-	(1,826,408)	-
Foreign exchange difference	-	-	-	3,939	(125)	3,911	-	158,098	-	165,823
Others	-	-	-	-	-	-	-	-	(49,405)	(49,405)
Closing balance	36,629,085	1,449,603	(5,260)	52,111	4,297,448	2,621,650	220,624	(530,940)	13,333,023	58,067,344

- i. The Bank has issued shares under the employee stock ownership plan in accordance with Resolution No. 01/NQ-ĐHĐCĐ of the 31st Annual General Meeting of Shareholders on 11 April 2023, and the Board of Directors' Resolutions No. 12.1/NQ-HĐQT dated 12 May 2023, No. 24/NQ-HĐQT dated 04 October 2023, No. 04/NQ-HĐQT 30 January 2024, and No. 05/NQ-HĐQT dated 21 February 2024. Accordingly, the number of issued shares was 43,510,429, with total proceeds of VND

435,104.29 million. On 9 July 2024, the Bank completed the additional listing of these shares.

According to Resolution No. 01/NQ-ĐHĐCĐ of the Annual General Meeting of Shareholders in 2024, dated 25 April 2024, approved the increase in charter capital through the issuance of shares to pay dividends for 2023 to existing shareholders. On 30 December 2024, the State Bank of Vietnam approved the Bank's charter capital increase by a maximum of VND 4,028,653,590,000 from retained earnings, following the capital increase plan approved by the Bank's 2024 Annual General Meeting of Shareholders and the Board of Directors. As of the date of this financial statement, the Bank is in the process of completing the necessary procedures to issue shares in accordance with legal regulations. According to Resolution No. 02/2025/NQ-HĐQT of the Board of Directors, dated 13 February 2025, the final registration date for the implementation of the 2023 dividend payment in the form of shares with a distribution ratio of 11% per share has been approved. According to Report No. 989/2025/CV-SHB dated 10 March 2025 regarding the results of the stock issuance for the 2023 dividend payment, the Bank has successfully distributed 402,838,460 shares. According to Official Letter No. 3218/VSDC-ĐKCP.NV dated 25 March 2025 from the Vietnam Securities Depository and Clearing Corporation, the number of shares increased by the Bank is 402,838,460 shares, and the start date for receiving the deposited shares is 27 March 2025.

- ii Appropriation to reserves/funds during the year in accordance with Resolution No. 01/NQ-ĐHĐCĐ of the 2024 Annual General Meeting of Shareholders dated 25 April 2024, and Proposal No. 01/TTr-HĐQT dated 29 March 2024 of the Board of Directors on the profit distribution plan and the establishment of reserves/ funds for 2023. Other reserves have been fully appropriated in the audited consolidated financial statements for the fiscal year ended 31 December 2023.

25.2 Details of the Bank's capital

	Closing balance Ordinary shares VND million	Opening balance Ordinary shares VND million
Contributed capital	36,629,085	36,193,981
Share premium	1,449,603	1,449,603
Treasury shares	(5,260)	(5,260)
	38,073,428	37,638,324

25.3 Details of the Bank's shares

	Closing balance	Opening balance
Issued share capital (units)	3,662,908,542	3,619,398,113
Shares sold to the public (units)	3,662,908,542	3,619,398,113
- Ordinary shares (unit)	3,662,908,542	3,619,398,113
- Preferred shares (unit)	-	-
Shares to be bought back (unit)		
- Ordinary shares (units)	496,186	496,186
- Preferred shares (units)	496,186	496,186
Outstanding shares (units)	-	-
- Ordinary shares (units)		
- Preference shares (units)	3,662,412,356	3,618,901,927
Par value	3,662,412,356	3,618,901,927
- Share ưu đãi (đơn vị)	-	-
Mệnh giá	10,000	10,000

25.4 Dividends

According to Resolution No. 01/NQ-ĐHĐCĐ of the 2024 Annual General Meeting of Shareholders dated 25 April 2024, and Resolution No. 19/2024/NQ-HĐQT of the Board of Directors dated 01 July 2024, the Bank will distribute the 2023 dividends to shareholders in cash at a rate of 5%. The final registration date to determine the list of shareholders entitled to receive dividends was 19 July 2024. On 06 August 2024, the Bank completed the payment of the 2023 cash dividends to shareholders, totaling VND 1,831,206 million.

26. Interest and similar income

	Current year VND million	Prior year VND million
Interest from deposits	1.949.939	1.445.481
Interest from loans to customers	45.652.671	52.238.878
Interest from debt securities	2.576.106	3.600.744
Income from guarantee services	201.526	191.982
Other income from credit activities	107.104	112.306
	50.487.346	57.589.391

27. Interest and similar expenses

	Current year VND million	Prior year VND million
Interest expense on deposits	25.891.636	33.550.170
Interest expense on borrowings	906.750	1.119.236
Interest expense on valuable papers issued	2.421.893	3.137.595
Expense on other credit activities	34.948	497.037
	29.255.227	38.304.038

28. Net gains from services

	Current year VND million	Prior year VND million
Gain from services	1.569.532	912.654
- Income from remittance services	1.142.935	349.677
- Income from trust and agency services	90.099	127.073
- Income from property preservation, cabinet rental services	178.709	273.375
- Others	157.789	162.529
Expense on services	(286.112)	(367.727)
- Expense for remittance services	(77.980)	(129.062)
- Post and telecommunications	(68.888)	(75.948)
- Expense for treasury services	(56.358)	(45.464)
- Others	(82.886)	(117.253)
Net gain from services	1.283.420	544.927

29. Net gains from trading foreign currency

	Current year VND million	Prior year VND million
Income from trading foreign currencies	1.745.054	3.039.266
- Income from spot trading foreign currencies	1.529.492	2.442.366
- Income from trading currency derivative financial instruments	215.562	596.900
Expenses for trading foreign currencies	(1.658.766)	(2.757.059)
- Expenses for spot trading foreign currencies	(1.412.155)	(2.279.584)
- Expenses for trading currency derivative financial instruments	(246.611)	(477.475)
Lãi thuần từ hoạt động kinh doanh ngoại hối	86.288	282.207

30. Net gain/(loss) from trading securities and investment securities

30.1 Net gain from trading securities

	Current year VND million	Prior year VND million
Income from trading securities held for trading	9,739	69,198
Expense for trading securities held for trading	(27,669)	-
Provision reversed/(made) for impairment of securities held for trading	21,259	(58,076)
Net gain from securities held for trading	3,329	11,122

30.2 Net gain/(loss) from investment securities

	Current year VND million	Prior year VND million
Income from trading investment securities	121,101	183,664
Expense for trading investment securities	(48,995)	(109,550)
Provision (made) for impairment of investment securities	(290,167)	(46,133)
	(218,061)	27,981

31. Net gain from other activities

	Current year VND million	Prior year VND million
Other income	1,341,801	501,021
Income from recovery of bad debts	478,098	190,201
Other income	863,703	310,820
Other expenses	(186,133)	(67,385)
Expense from trading other derivatives	(2,505)	(6,848)
Expense from social activities	(135,926)	(16,837)
Other expenses	(47,702)	(43,700)
Net profit from other activities	1,155,668	433,636

32. Income from capital contribution and equity investments in other entities

	Current year VND million	Prior year VND million
Dividends received in cash from capital contribution, equity investments	-	4,958
- <i>From equity available for sales</i>	-	4,958
From capital contribution and long-term investments	2,660	731,645
Share from net profit under equity method of investments in joint ventures	26,842	6,568
	29,502	743,171

33. Operating expenses

	Current year VND million	Prior year VND million
Taxes, fees, and charges	88,996	67,742
Staff cost	3,177,593	2,945,499
Expenses for fixed assets	623,876	579,886
<i>In which:</i>		
- <i>Depreciation and amortisation expenses</i>	111,262	105,365
Expenses for operating management	1,368,120	1,035,554
Insurance premium for customers' deposits	499,430	428,201
Provision (reversed)/charged for provisions (excluding provisions for credit losses and provisions of securities)	2,216	(5,343)
	5,760,231	5,051,539

34. Provision expenses for credit risks

	Current year VND million	Prior year VND million
Provision reversed for credit losses of loans to credit institutions (Note 8)	(118,410)	18,616
Provision expense for credit losses of loans to customers (Note 12)	6,325,370	7,041,794
Provision (reversed)/made for other assets (Note 17.4)	35,832	(22,573)
	6,242,792	7,037,837

35. Current corporate income tax (“cit”) expense

	Current year VND million	Prior year VND million
Profit before tax	11,569,242	9,239,021
Adjustments for:		
- Non-taxable dividend income and profits received	-	(4,958)
- (Profit)/loss before tax of subsidiaries	(270,293)	(77,474)
- Adjustment of profit due to consolidated financial statements	26,324	(19,531)
- Others	38,531	43,503
Taxable income of the Holding Bank	11,363,804	9,180,561
Income tax rate	20%	20%
CIT expense of the Holding Bank based on local taxable income	2,272,761	1,836,112
Adjust the direct deduction of previous year's income tax expenses to the current year's income tax expenses	(66,366)	-
Adjustment of the previous year's income tax expense to the current year's income tax expense	820	2,428
CIT expense based on the taxable income	2,207,215	1,838,540
CIT expense of subsidiaries	54,059	69,926
CIT expense based on the taxable income	2,261,274	1,908,466
Current tax expense	2,261,274	1,908,466
Deferred corporate income tax (expense)/benefit	13,981	(5,797)
Total CIT payables	2,247,293	1,914,263

36. Basic earnings per share

Profit for calculation of basic earnings per share

	Current year VND million	Prior year VND million
Profit after corporate income tax	9,321,949	7,324,758
Profit for the year attributable to equity holder	9,321,949	7,324,758

Number of ordinary shares for calculation of basic earnings

According to VAS 30 – Earnings per share, the Bank retroactively adjusts “Basic earnings per share” for all financial years if the number of ordinary shares in circulation increases due to capitalization, issuance of bonus shares, stock splitting or decreases due to stock pooling, including changes occurring after the end of the financial year but before the date of the consolidated financial statements. As a result, basic earnings per share for the year ended 31 December 2023 are restated because of the following events:

- According to Resolution No. 02/2025/NQ-HĐQT dated 13 February 2025, Board of Directors of the Bank decided to issue shares to pay dividends at the rate of 11% from profits after tax in 2023 and the last registration date was on 27 February 2025. On 10 March 2025, the Bank completed the issuance of an additional 402,838,460 shares.

Details of common shares for calculation of basic earnings as follows:

	Current year Share	Prior year (Restated) Share
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	4,042,601,552	4,021,740,387
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	4,042,601,552	4,021,740,387

Basic earnings per share

	Current year VND	Prior year (Restated) VND
Earnings per share	2,306	1,821

The basic earnings per share for the year ended 31 December 2023 are restated as followed:

	Current year	Prior year (Restated)
Profit for the year attributable to common shareholders (VND Million)	7,324,758	7,324,758
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (Share)	3,618,901,927	4,021,740,387
Basic earnings per share (VND)	2,024	1,821

37. Cash and cash equivalents

	Closing balance VND million	Opening balance VND million
Cash	1,563,509	1,370,849
Balances with the SBV	27,436,936	54,763,646
Current deposits at other credit institutions	12,693,973	11,894,463
Deposits at other credit institutions with terms not exceeding 3 months	79,623,116	42,830,828
	121,317,534	110,859,786

38. Employee's income

	Current year	Prior year
I. Total average number of employees during the year (person)	6,751	7,567
II. Employees' income (VND Million)		
1. Total income	2,364,608	2,088,908
2. Average monthly income per employee	29,19	23,01

39. Assets, valuable papers as mortgages, pledges and discounts, rediscounts

39.1. Assets, valuable papers received as mortgages, pledges and discounts, rediscounts

	Closing balance VND million	Opening balance VND million
Real estate	505,961,513	518,813,814
Movable assets	54,604,667	43,664,138
Valuable papers	70,565,431	55,063,096
Other assets	558,118,365	462,899,433
	1,189,249,976	1,080,440,481

39.2. Assets, valuable papers used as mortgages, pledges and discounts, rediscounts

	Closing balance VND million	Opening balance VND million
Investment securities	48,968,109	10,000
	48,968,109	10,000

40. Trust, entrust and agency activities for credit institutions

40.1. Trust activities

	Closing balance VND million	Opening balance VND million
Undue loan	3,443,762	4,379,989
Interest from credit granting activities under the trust agreement	303	241
	3,444,065	4,380,230

40.2. Trusted and agency activities

	Closing balance VND million	Opening balance VND million
Loan from risk-free trusted fund operations	4,616,410	5,585,952
	4,616,410	5,585,952

41. Other off-balance sheet activities for which the bank is subject to significant risks

	Closing balance VND million	Opening balance VND million
Contingent liabilities		
Credit guarantees	30,089	55,050
Commitments		
Foreign exchange transactions commitments	13,754,686	15,454,640
<i>Buying foreign currency commitments</i>	848,566	805,070
<i>Selling foreign currency commitments</i>	613,719	814,380
<i>Cross currency swap contracts</i>	12,292,401	13,835,190
Letters of credit	26,254,923	5,085,207
Other guarantees	17,927,463	18,477,630
	57,967,161	39,072,527

42. Uncollected loan interest and fees

	Closing balance VND million	Opening balance VND million
Uncollected loan interests	8,116,949	9,479,493
Uncollected interest from securities	636,328	636,328
Uncollected fees	242	242
	8,753,519	10,116,063

43. Bad debts written-off

	Closing balance VND million	Opening balance VND million
Principals of written off bad debts under observation	20,621,704	17,017,207
Interests of written off bad debts under observation	19,391,414	16,488,280
Other written off bad debts	32,438	37,174
	40,045,556	33,542,661

44. Assets and other documents

	Closing balance VND million	Opening balance VND million
Precious metals, gemstone in custody	29,392	29,879
Other assets in custody	2,202,395	2,298,517
Outsourced assets	(*)	(*)
Other preserved valuable papers	201,670	201,772
	2,433,457	2,530,168

(*) The Bank cannot value outsourced assets.

45. Related party transactions and balances

List of related parties which have significant balances and transactions during the year

Related party	Relationship
SHB Finance Company Limited ("SHB FC")	Associate (from 09 June 2023) and subsidiary (until 08 June 2023)
T&T Group Joint Stock Company	Major shareholder
Saigon - Hanoi Insurance Corporation	Shared key management members
Saigon - Hanoi Securities Joint Stock Company	Shared key management members

Details of significant transactions with related parties during the year ended 31 December 2024 are as follows:

	Closing balance VND million	Opening balance VND million
SHB FC		
- Interest expenses on deposits	100,983	199,330
- Other expenses	(2,530)	(6,095)

Details of stock purchases under the employee stock option program of internal shareholders in the fiscal year ending 31 December 2024 are as follows:

		Current year VND million	Prior year VND million
Do Quang Hien	Chairman of the Board of Directors	2,475	-
Do Quang Vinh	Vice Chairman cum Deputy General Director	2,106	-
Ngo Thu Ha	Member of Board of Directors cum Chief Executive Officer	2,196	-
Thai Quoc Minh	Member of Board of Directors	1,767	-
Pham Viet Dan	Member of Board of Directors	1,407	-
Do Van Sinh	Independent Member of BOD	1,407	-
Pham Hoa Binh	Head of Board of Supervisors	200	-
Le Thanh Cam	Member of Board of Supervisors	800	-
Vu Xuan Thuy Son	Member of Board of Supervisors	800	-
Le Dang Khoa	Deputy General Director	1,763	-
Nguyen Huy Tai	Deputy General Director	1,763	-
Ninh Thi Lan Phuong	Deputy General Director	1,763	-
Hoang Thi Mai Thao	Deputy General Director	1,763	-
Do Duc Hai	Deputy General Director	1,777	-
Luu Danh Duc	Deputy General Director	1,743	-
Ngo Thi Van	Chief Accountant	300	-

VII. Financial Statements

Details of significant balances with related parties during the year ended 31 December 2024 are as follows:

	Receivables/(Payables)	
	Closing balance	Opening balance
	VND million	VND million
SHB FC		
- Contributed capital	500.000	500.000
- Demand and term deposits received	(50.840)	(175.015)
- Demand and term deposits	1.975.000	1.970.000
- Accrued interest payables on deposits	(1)	(18)
- Accrued interest receivables on deposits	10.023	7.100
T&T Group Joint Stock Company		
- Capital contribution received	(2.873.885)	(3.618.885)
- Demand deposits received	(679.940)	(769.387)
- Accrued interest payables on deposits	(777)	(240)
Saigon- Hanoi Insurance Corporation		
- Contributed capital	42.857	42.857
- Demand deposits received	(1.055.828)	(1.121.995)
- Accrued interest payables on deposits	(62.211)	(14.572)
Saigon - Hanoi Securities Joint Stock Company		
- Demand deposits received	(734.215)	(2.982.979)
- Loans	400.000	-
- Accrued interest receivables on loans	1.037	-

Details of salaries and allowances of the members of the Board of Directors, Board of Supervisors and Board of Management are as follows:

	Current year VND million	Prior year VND million
Board of Directors	11.719	14.011
Mr. Do Quang Hien	4.200	4.200
Mr. Thai Quoc Minh	2.640	2.640
Mr. Pham Viet Dan	2.361	1.585
Mr. Do Van Sinh	2.364	2.364
Mr. Haroon Anwar Sheikh (Resigned on 25 April 2024)	154	2.186
Mr. Vo Duc Tien (Resigned on 11 April 2023)	-	1.036
Board of Supervisors	4.620	4.620
Board of Managements and Chief Accountant	28.373	22.307

46. Geographical structure of assets, liabilities and off-balance-sheet items as at 31 december 2024

	Total loan balance VND million	Total deposits VND million	Credit com- mitments VND million	Deveritives (Difference between Debit - Credit) VND million	Trading and investment securities (Difference between Debit - Credit) VND million
Domestic	530.825.916	610.407.416	43.890.542	(61.927)	37.719.485
Overseas	13.837.335	13.215.226	321.933	-	-
	544.663.251	623.622.642	44.212.475	(61.927)	37.719.485

47. Segment reports

A business segment is a distinguishable component of the Bank that is engaged in providing products and services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component the Bank that is engaged in providing products and services and that is subject to risks and returns that are different from those of components operating in other economic environments.

Primary segment report of the Bank is business segment report; secondary segment report of the Bank is geographical segment report.

Business segment report

ITEMS	Credit VND million	Investment VND million	Services VND million	Treasury VND million	Total VND million
Business segment income					
Interest and similar income	45.961.301	2.576.106	-	1.949.939	50.487.346
Income from services	-	-	1.569.532	-	1.569.532
Net gain from trading foreign currencies	-	86.288	-	-	86.288
Net gain from trading securities	-	3.329	-	-	3.329
(Loss) from investment securities	-	(218.061)	-	-	(218.061)
Other income	-	-	1.155.668	-	1.155.668
Income from capital contribution, share purchase	-	29.502	-	-	29.502
At 31.12.2024					
Assets	572.096.478	38.530.035	14.992.244	121.859.312	747.478.069
1. Segment assets	547.983.584	38.402.934	184.965	121.605.110	708.176.593
2. Allocated assets	24.112.894	127.101	14.807.279	254.202	39.301.476
Liabilities	(2.951.067)	(9.024)	(1.102.214)	(685.348.420)	(689.410.725)
1. Segment liabilities	(1.239.017)	-	(50.877)	(685.330.372)	(686.620.266)
2. Allocated liabilities	(1.712.050)	(9.024)	(1.051.337)	(18.048)	(2.790.459)

Geographical segment report

ITEMS	Northern VND million	Southern VND million	Central VND million	Overseas VND million	Total VND million
Business segment income					
Interest and similar income	16.725.382	2.649.969	1.135.599	721.169	21.232.119
Income from services	891.748	368.970	22.413	289	1.283.420
Income from trading foreign currencies	46.517	32.419	6.913	439	86.288
Net gain/(loss) from trading securities	3.329	-	-	-	3.329
Net gain/(loss) from investment securities	(221.542)	3.472	9	-	(218.061)
Other income	888.994	76.695	189.119	860	1.155.668
Income from capital contribution, share purchase	29.502	-	-	-	29.502
Operating expenses	(4.376.042)	(821.443)	(397.603)	(165.143)	(5.760.231)
Net profit from operating expenses before provision	13.987.888	2.310.082	956.450	557.614	17.812.034
Provision expenses for credit losses	(4.690.674)	(864.207)	(390.201)	(297.710)	(6.242.792)
Profit before tax	9.297.214	1.445.875	566.249	259.904	11.569.242

VII. Financial Statements

ITEMS	Northern VND million	Southern VND million	Central VND million	Overseas VND million	Total VND million
Assets					
Cash	979,779	376,774	149,400	57,556	1,563,509
Balances with the State Bank of Vietnam ("SBV")	26,266,437	18,007	4,463	1,148,029	27,436,936
Placements with and loans to other credit institutions	115,955,312	2,398	1,514	1,389,599	117,348,823
Loans to customers	394,514,209	84,590,912	19,069,546	12,978,483	511,153,150
Financial investment	37,687,722	-	-	-	37,687,722
Fixed assets	5,210,816	78,443	34,141	4,625	5,328,025
Other assets	10,004,841	18,556,610	17,014,940	1,383,513	46,959,904
TOTAL ASSETS	590,619,116	103,623,144	36,274,004	16,961,805	747,478,069
Liabilities					
Deposits and borrowings from the Government and the SBV and other credit institutions	125,956,339	422	91	9,377,002	135,333,854
Deposits from customers	356,715,429	101,101,798	38,241,120	3,838,224	499,896,571
Other mobilization	32,880,518	4,165,540	3,693,714	-	40,739,772
Other liabilities	8,768,326	1,909,508	772,829	1,989,865	13,440,528
TOTAL LIABILITIES	524,320,612	107,177,268	42,707,754	15,205,091	689,410,725

48. Risk management policies related to financial instruments

The Bank's vision is to become a diversified financial group. Therefore, the use of financial instruments, including funding from customers (in terms of deposit products and valuable papers issued) and investments in high quality financial assets have become key activities to help the Bank gains necessary interest rate gaps. From risk management perspective, the Bank is required to maintain the structure of assets, liabilities, and equity (including balance sheet items and off-balance sheet items) for the purpose of ensuring safety and mitigating risks in banking activities. In addition, the Bank has invested in securities or granted credit facilities to other banks. The risks related to currency and interest rates have been managed through applying position limits to restrict over-concentration and simultaneously participating in activities with balancing impact to minimize risks. By holding various assets being high-quality financial instruments, the structure of the Bank's consolidated statement of financial position helps shield the Bank from significant risks during its business processes and ensures liquidity. In addition, the Bank has also been involved in many hedging transactions related to financial instruments such as foreign currency swaps for the purpose of managing interest rate risk.

In the process of credit risk management, the Bank has adopted the Credit Handbook which provides in detail the lending policies and procedures as well as implementation guidance on standardization of the Bank's credit activities. Liquidity risk is limited by holding appropriate amounts of cash and cash equivalents as Nostro accounts (current placements at other credit institutions), term deposits at the SBV and other credit institutions and valuable papers. The safety ratio with risk factors taken into account are also used to manage liquidity risk. The Bank has regularly assessed interest rate gaps, compared to the gaps of domestic markets and international markets to make timely adjustments. In addition, the application of internal risk management processes has become more efficient owing to the development of the Centralised Capital Management System and Centralised Payment System in which all capital and payment transactions of the Bank are executed by the Head Office. Such centralisation has also helped the Bank to monitor capital movements more effectively and reduce any possible errors and unnecessarily complicated procedures.

49. Currency risk

Currency risk arises when the value of a financial instrument fluctuates due to changes in foreign exchange rates. The Bank was incorporated and operated in Vietnam, with Vietnamese Dong as its reporting currency. The major currency in which the Bank transacts is Vietnamese Dong. The Bank's loans and advances were mainly denominated in Vietnamese Dong and United States Dollar. However, some of the Bank's other assets are in currencies other than Vietnamese Dong and United States Dollar. The Bank's management has set limits on positions by currency based on the internal risk assessment system of the Bank and regulations of the SBV. Positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

VII. Financial Statements

The book values of the Bank's foreign currency denominated monetary assets and monetary liabilities as at 31 December 2024 are as follows:

ITEMS	EUR equivalent VND million	USD equivalent VND million	Other currencies equivalent VND million	Tổng VND million
Assets				
Cash	30.908	261.251	7.636	299.795
Balances with the State Bank	6.887	1.434.413	145.392	1.586.692
Placements with and loans to other credit institutions (*)	39.645	6.808.435	305.129	7.153.209
Derivative financial instruments and other financial assets	-	3.869.731	-	3.869.731
Loans to customers (*)	554.995	13.725.317	1.826.262	16.106.574
Fixed assets	-	4.240	1.779	6.019
Other assets (*)	50	5.268.907	103.848	5.372.805
Total assets	632.485	31.372.294	2.390.046	34.394.825
Liabilities and owners' equity				
Deposits and borrowings from other credit institutions	-	20.033.383	359.708	20.393.091
Deposits from customers	75.199	10.313.138	1.104.782	11.493.119
Derivatives financial instruments and other financial liabilities	-	-	31.839	31.839
Grants, trusted funds and borrowings where the Bank bears risks	554.995	260.910	-	815.905
Other liabilities (*)	1.136	520.942	62.833	584.911
Capital and reserves	-	570.412	737.039	1.307.451
Total liabilities and owners' equity	631.330	31.698.785	2.296.201	34.626.316
On balance sheet currency position	1.155	(326.491)	93.845	(231.491)
Off-balance-sheet currency position	-	251.678	3.124	254.802
On and off-balance-sheet currency position	1.155	(74.813)	96.969	23.311

(*) Excluding provision.

50. Interest rate risk

The Bank's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature at different times or in different amounts. Some assets have indefinite maturities or interest rate sensitivities and are not readily matched with specific liabilities.

The Bank adopts an interest risk measurement method for all assets – liabilities items with respect to interest income. The Bank also establishes and applies a limit system and decision authority at each level based on results of risk measurement for each category.

The following tables show the Bank's assets and liabilities categorized by the contractual re-pricing or maturity date and the interest rates at the end of the consolidated financial reporting.

Time limit for repricing of interest rates is the remaining period from the date of the consolidated financial reporting to the most recent repricing of interest rates of assets and equity items.

The table below shows the Bank's exposure to interest rate risk as at 31 December 2024:

	Non - interest bearing VND million	Overdue			Current					Over 5 years VND million	Total VND million
		Over 3 months VND million	Within 3 months VND million	Within 1 month VND million	From 1 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million			
Assets											
Cash	1.563.509	-	-	-	-	-	-	-	-	-	1.563.509
Balances with the State Bank	27.436.936	-	-	-	-	-	-	-	-	-	27.436.936
Placements with and loans to other credit institutions (*)	-	-	-	95.952.680	20.971.973	229.320	115.482	79.368	-	-	117.348.823
Trading securities (*)	3.880	-	-	-	314.072	2.427.066	-	2.204.590	-	-	4.949.608
Loans to customers (*)	-	15.065.075	5.380.247	128.860.381	295.400.459	26.001.522	21.982.582	20.176.927	7.082.798	-	519.949.991
Investment securities (*)	28.658	526.536	-	1.849.227	255.545	7.304.705	1.505.159	3.642.485	17.657.562	-	32.769.877
Capital contribution, long-term investments (*)	528.286	-	-	-	-	-	-	-	-	-	528.286
Fixed assets	5.328.025	-	-	-	-	-	-	-	-	-	5.328.025
Other assets (*)	37.108.419	39.438	3.402.131	795.511	2.149.235	2.938.990	650.392	-	-	-	47.084.116
Total assets	71.997.713	15.631.049	8.782.378	227.457.799	319.091.284	38.901.603	24.253.615	26.103.370	24.740.360	-	756.959.171
Liabilities											
Borrowings from the Government and the SBV	-	-	-	-	10.077	-	1.232.787	-	-	-	1.242.864
Deposits and borrowings from other credit institutions	-	-	-	106.112.370	21.485.112	4.301.592	1.703.434	467.440	21.042	-	134.090.990

	Overdue			Current						
	Non - interest bearing VND million	Over 3 months VND million	Within 3 months VND million	Within 1 month VND million	From 1 to 3 months VND million	From 3 to 6 months VND million	From 6 to 12 months VND million	From 1 to 5 years VND million	Over 5 years VND million	Total VND million
Deposits from customers	-	-	-	120.123.781	105.468.656	134.031.591	115.180.277	25.075.372	16.894	499.896.571
Derivative financial instruments and other financial liabilities	61.927	-	-	-	-	-	-	-	-	61.927
Grants, trusted funds and borrowings where the Bank bears risks	-	-	-	220.371	31.268	47.794	119.586	576.687	433.944	1.429.650
Valuable papers issued	-	-	-	2.355.138	4.577.426	14.425.646	13.889.972	4.000.013	-	39.248.195
Other liabilities (*)	13.440.528	-	-	-	-	-	-	-	-	13.440.528
Total liabilities	13.502.455	-	-	228.811.660	131.572.539	152.806.623	132.126.056	30.119.512	471.880	689.410.725
Balance sheet net interest gap	58.495.258	15.631.049	8.782.378	(1.353.861)	187.518.745	(113.905.020)	(107.872.441)	(4.016.142)	24.268.480	67.548.446
Off-balance sheet commitments affecting to sensitivity with assets and liabilities' interest rate	264	-	-	-	-	-	-	-	-	264
Total net interest rate gap	58.495.522	15.631.049	8.782.378	(1.353.861)	187.518.745	(113.905.020)	(107.872.441)	(4.016.142)	24.268.480	67.548.710

(*) Excluding provision.

51. Liquidity risk

Liquidity risk arises during the general funding of the Bank’s activities and in the management of currency positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risks of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The Bank adopts a risk measurement method that is suitable for its operation scale and the availability of the information system, ensuring meeting the requirements for the risk mitigation. It includes indicators related to cash flows, ability of capital mobilization, and ability of asset liquidity of the Bank. The Bank also establishes and applies a limit system and decision authority at each level based on results of risk measurement for each category.

The following table provides an analysis of the assets and liabilities of the Bank in terms of relevant maturity groupings based on the remaining period from the balance sheet date to repayment date. In practice, the actual maturity of assets or liabilities may differ from contractual terms based on the appendix to the contracts which may exist.

The table below shows the Bank's exposure to liquidity risk as at 31 December 2024:

	Overdue		Current			Total
	Over 03 months	Within 03 months	Within 01 month	From 01 to 03 months	From 03 to 12 months	From 01 to 05 years
	VND million	VND million	VND million	VND million	VND million	VND million
Assets						
Cash	-	-	1,563,509	-	-	1,563,509
Balances with the State Bank	-	-	27,436,936	-	-	27,436,936
Placements with and loans to other credit institutions (*)	-	-	95,952,680	20,971,973	344,802	117,348,823
Trading securities (*)	-	-	-	-	4,949,608	4,949,608
Loans to customers (*)	15,065,075	5,380,247	30,552,410	54,145,715	129,843,657	519,949,991
Investment securities (*)	526,536	-	1,849,227	255,545	1,505,159	32,769,877
Capital contribution, long-term investments (*)	-	-	-	-	-	528,286
Fixed assets	-	-	1,685,614	76	3,290	5,328,025
Other assets (*)	39,438	3,402,131	37,314,277	2,221,142	3,886,704	47,084,116
Total assets	15,631,049	8,782,378	196,354,653	77,594,451	140,533,220	756,959,171
Liabilities						
Borrowings from the Government and the SBV	-	-	-	10,077	1,232,787	1,242,864
Deposits and borrowings from other credit institutions	-	-	105,093,171	19,828,912	6,217,350	134,090,990
Deposits from customers	-	-	97,814,633	85,657,540	180,543,336	499,896,571
Derivative financial instruments and other financial assets	-	-	12,526	19,792	15,609	61,927
Grants, trusted funds and borrowings at risk of the credit institution	-	-	220,372	31,268	167,379	1,429,650
Valuable papers issued	-	-	506	-	12,733,869	39,248,195
Other liabilities (*)	-	-	13,440,528	-	-	13,440,528
Total liabilities	-	-	216,581,736	105,547,589	200,910,330	689,410,725
Net liquidity difference	15,631,049	8,782,378	(20,227,083)	(27,953,138)	(60,377,110)	67,548,446

(*) Excluding provisions.

52. Credit risk

Credit risk is the possibility that the Bank may incur losses because its customers do not perform or fail to perform their contractual obligations. The Bank controls and manages credit risk by setting credit limits based on the risk tolerance level that the Bank specifies for individual customers and each industry and setting up the medium and long-term credit limit suitable for the structure of mobilization.

The Bank has established a credit quality review process to provide early identification of possible changes in financial position, repayment ability of debtors based on qualitative and quantitative factors. Credit limit for each customer is determined by the use of the credit scoring system, in which each customer is classified at a certain risk level. Customer's risk level is updated regularly. The Bank controls and manages credit risk by establishing an authorization limit for each branch based on its credit portfolio quality, management capability and geographical potentiality.

The Bank has developed a number of customer policies in order to select good customers and have suitable and consistent policies applicable to each customer. The Bank has developed a diversified range of products to meet customers' demands and established credit appraisal and approval procedures at branches and the Head Office for consistent implementation in the Bank's entire system to mitigate operational risks. In addition, in order to strengthen secured methods for loans and minimize operational risks, the Bank has also issued detailed guidance on guarantees for loans.

Overdue and unimpaired financial assets

Overdue and unimpaired financial assets of the Bank mainly include loans classified from Group 2 to Group 5 and overdue receivables which have full collaterals, including real estate, valuable papers and other types of collaterals in accordance with Circular 31.

As at 31 December 2024, overdue and unimpaired financial assets are as follows:

	Overdue			
	10-90 days	91-180 days	181-360 days	Over 360 days
	VND million	VND million	VND million	VND million
Loans to customers	380.302	100.584	124.875	1.317.608

Credit quality for assets with credit risk is fallen within the debt classification scope of Circular 31

Detailed analysis of credit quality for assets with credit risk in accordance with Circular 31 of the Bank is described below:

Summary of debt groups according to Circular 31	Closing balance VND Million	Opening balance VND Million
Standard loans	629,075,579	492,259,480
Special-mentioned loans	5,668,756	8,532,749
Sub-standard loans	1,969,398	1,287,643
Doubtful loans	2,052,495	2,496,596
Loss loans	11,577,607	10,102,926
Total debt under Circular 31	650,343,835	514,679,394
Bad debt	15,599,500	13,887,165
Bad debt ratio	2.40%	2.70%

53. Operating lease commitments

	Closing balance VND million	Opening balance VND million
Within 1 year	113.145	245.563
From 2 years to 5 years inclusive	977.155	532.735
After 5 years	94.723	63.696
	1.185.023	841.994

54. Exchange rates of some foreign currencies at the end of the year

	Closing balance VND	Opening balance VND
USD	25.480	24.338
EUR	26.530	26.848
GBP	32.013	30.974
CHF	28.219	28.792
JPY	163,00	172,00
SGD	18.759	18.412
AUD	15.862	16.597
HKD	3.283	3.105
CAD	17.737	18.331
LAK	1,164	1,1809
THB	744,45	663,49

55. Events after reporting date

In addition to the share issuance event to pay dividends in 2023 presented in Note 24.1. According to Official Letter No. 1000/2025/CV-SHB dated 10 March 2025, the Bank has successfully issued 23,506,190 bonds with the code SHBC7Y202401, a face value of VND 100,000 per bond, a term of 7 years, and a floating interest rate based on the bond issuance plan for SHB's public offering in 2024, which was approved by the Board of Directors in Resolution No. 14/2024/NQ-HĐQT dated 06 June 2024 and Resolution No. 21/2024/NQ-HĐQT dated 23 September 2024.

Prepared by



Do Thanh Phuong
Head of General accounting
and Financial reporting De-
partment

Reviewed by



Ngo Thi Van
Chief Accountant

Approved by



Ngô Thu Hà
Chief Executive Director

31 March 2025

Saigon – Hanoi Commercial Joint Stock Bank (SHB)

Add: No. 77 Tran Hung Dao Str, Hoan Kiem – Hanoi.

Tel: (024) 3942 3388 | Fax: (024) 3941 0944

Website: shb.com.vn | Email: shbank@shb.com.vn

Hanoi, April 2025



Ms. Ngo Thu Ha
CEO