

**SEPARATE
FINANCIAL STATEMENTS**
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2023

**KIEN LONG COMMERCIAL
JOINT STOCK BANK**

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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Kien Long Commercial Joint Stock Bank (hereinafter referred to as “the Bank”) presents this statement together with the Separate Financial Statements for the fiscal year ended 31 December 2023.

Business highlights

Kien Long Commercial Joint Stock Bank was established under the Establishment and Operation License No. 0056/NH-GP dated 18 September 1995 issued by the State Bank of Vietnam (SBV) and the Bank Establishment License No. 1115/GP-UB dated 02 October 1995 issued by the People’s Committee of Kien Giang Province.

The Bank has been operating in line with the first Business Registration Certificate No. 1700197787 dated 10 October 1995 granted by Kien Giang Province Department of Planning and Investment. During the Bank’s operation course, its Business Registration Certificate has been amended several times and the most recent amendment was made on 21 December 2022.

The Bank’s operation course is 50 years, starting from 18 September 1995.

Head office

- Address : No. 40 – 42 – 44 Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province
- Tel. : +84 (029) 7386 9950
- Fax : +84 (029) 7387 7538

The principal business activities of the Bank consist of mobilizing short, medium and long-term deposits from organizations and individuals; granting short, medium and long-term loans based on the Bank’s capital resources; providing settlement and cashier services and other banking services in accordance with the approval of the SBV; contributing capital, purchasing shares, investing in bonds and trading foreign currencies under law requirements; providing asset management and preservation services, leasing cabinets and safes.

Board of Directors and Executive Officers

The Board of Directors and the Executive Officers of the Bank during the year and as of the date of this statement include:

The Board of Directors (BOD)

Full name	Position	Appointing/resigning/reappointing date
Ms. Tran Thi Thu Hang	Chairwoman	Reappointed on 27 April 2023
Mr. Tran Ngoc Minh	Vice Chairman	Appointed on 27 April 2023
	Member	Resigned on 27 April 2023
Mr. Bui Thanh Hai	Member	Reappointed on 27 April 2023
Mr. Le Khac Gia Bao	Member	Appointed on 27 April 2023
Mr. Nguyen Cao Cuong	Member	Appointed on 27 April 2023
Ms. Nguyen Thi Thanh Huong	Member	Appointed on 27 April 2023
Ms. Nguyen Thuy Nguyen	Independent member	Appointed on 27 April 2023
Mr. Mai Huu Tin	Vice Chairman	Resigned on 27 April 2023
Mr. Pham Tran Duy Huyen	Vice Chairman	Resigned on 27 April 2023
Ms. Nguyen Thuy Quynh Huong	Member	Resigned on 27 April 2023
Ms. Tran Tuan Anh	Member	Resigned on 27 April 2023
Ms. Nguyen Thi Hong Hanh	Independent member	Resigned on 27 April 2023

The Supervisory Board

Full name	Position	Appointing/resigning/reappointing date
Ms. Do Thi Tuyet Trinh	Head of Supervisory Board	Appointed on 27 April 2023
Mr. Vu Pham Thai Ha	Member	Appointed on 27 April 2023
Mr. Dang Minh Quan	Member	Reappointed on 27 April 2023
Mr. Le Khac Gia Bao	Head of Supervisory Board	Resigned on 27 April 2023
Mr. Nguyen Cao Cuong	Member	Resigned on 27 April 2023
Ms. Vu Hanh Ngan	Member	Resigned on 27 April 2023

KIEN LONG COMMERCIAL JOINT STOCK BANK
STATEMENT OF THE BOARD OF MANAGEMENT (cont.)

The Board of Management (BOM)

Full name	Position	Appointing/resigning/reappointing date
Mr. Tran Ngoc Minh	General Director	
Mr. Le Trung Viet	Deputy General Director	Reappointed on 01 July 2023
Mr. Nguyen Hoang An	Deputy General Director	Reappointed on 01 July 2023
Mr. Nguyen Van Minh	Deputy General Director	Reappointed on 05 January 2023
Mr. Tran Van Thai Binh	Deputy General Director	Reappointed on 24 May 2023
Mr. Tran Hong Minh	Deputy General Director	Reappointed on 25 November 2023
Mr. Do Van Bac	Deputy General Director	Appointed on 22 September 2023
Ms. Pham Thi My Chi	Deputy General Director	Reappointed on 01 July 2023
		Resigned on 01 November 2023
Ms. Nguyen Thi Thanh Huong	Deputy General Director	Appointed on 05 January 2023
		Resigned on 22 September 2023
Mr. Do Anh Tuan	Deputy General Director	Resigned on 06 March 2023

Legal Representative

The Bank's legal representative during the year and as of the date of this statement is Mr. Tran Ngoc Minh - General Director (appointed on 09 December 2021).

Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Bank's Separate Financial Statements for the fiscal year ended 31 December 2023.

Responsibilities of the Board of Management

The Board of Management is responsible for the preparation of the Separate Financial Statements to give a true and fair view of the financial position, the financial performance and the cash flows of the Bank during the year. In order to prepare these Separate Financial Statements, the Board of Management must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates prudently;
- state clearly whether the accounting standards applied to the Bank are followed or not, and all the material differences from these standards are disclosed and explained in the Separate Financial Statements;
- prepare the Separate Financial Statements of the Bank on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Separate Financial Statements are free from material misstatements due to frauds or errors.

The Board of Management hereby ensures that all the accounting books of the Bank have been fully recorded and can fairly reflect the financial position of the Bank at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Management is also responsible for managing the Bank's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Management hereby commits to the compliance with the aforementioned requirements in preparation of the Separate Financial Statements.

Approval of the Separate Financial Statements

The Board of Management hereby approves the accompanying Separate Financial Statements, which give a true and fair view of the financial position as of 31 December 2023 of the Bank, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards and System applicable to Credit Institutions issued by the State Bank of Vietnam and the statutory requirements related to the preparation and presentation of the Separate Financial Statements.

For and on behalf of the Board of Management,


Tran Ngoc Minh
General Director

Date: 29 March 2024

No. 1.0855/24/TC-AC

INDEPENDENT AUDITOR'S REPORT

**To: THE SHAREHOLDERS, THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT
KIEN LONG COMMERCIAL JOINT STOCK BANK**

We have audited the Separate Financial Statements of Kien Long Commercial Joint Stock Bank (hereinafter referred to as "the Bank"), which were prepared on 29 March 2024 (from page 5 to page 51) including the Separate Statement of Financial Position as of 31 December 2023, the Separate Income Statement, the Separate Cash Flow Statement for the fiscal year then ended and the Notes to the Separate Financial Statements.

Responsibility of the Board of Management

The Board of Management is responsible for the preparation, true and fair presentation of the Bank's Separate Financial Statements in accordance with the Vietnamese Accounting Standards and System for Credit Institutions stipulated by the State Bank of Vietnam as well as the statutory requirements related to the preparation and presentation of the Separate Financial Statements; and responsible for the internal control as the Board of Management determines necessary to enable the preparation and presentation of the Separate Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these Separate Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the Bank's Separate Financial Statements are free from material misstatement.

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

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


Opinion of Auditors

In our opinion, the Separate Financial Statements give a true and fair view, in all material respects, of the financial position as of 31 December 2023 of Kien Long Commercial Joint Stock Bank, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards and System applicable to Credit Institutions issued by the State Bank of Vietnam and the statutory requirements relevant to preparation and presentation of the Separate Financial Statements.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.


Ho Van Tung
Partner

Audit Practice Registration Certificate No. 0092-2023-008-1
Authorized Signatory


Nguyen Quang Chau
Auditor

Audit Practice Registration Certificate No. 2607-2023-008-1

Ho Chi Minh City, 29 March 2024

KIEN LONG COMMERCIAL JOINT STOCK BANK

Address: No. 40 – 42 – 44 Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province

SEPARATE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

SEPARATE STATEMENT OF FINANCIAL POSITION

As of 31 December 2023

		Unit: million VND	
A - ASSETS	Note	Ending balance	Beginning balance
I. Cash on hand, gold, gemstones	V.1	660.595	742.817
II. Deposits at the State Bank of Vietnam	V.2	6.134.683	1.347.927
III. Deposits and gold at other credit institutions and loans to other credit institutions		18.373.502	23.777.634
1. Deposits and gold at other credit institutions	V.3.1	15.525.552	19.779.134
2. Loans to other credit institutions	V.3.2	2.847.950	3.998.500
3. Provisions for risks		-	-
IV. Trading securities	V.4	-	144.176
1. Trading securities	V.4	-	144.176
2. Provision for risk of trading securities		-	-
V. Financial derivatives and other financial assets	V.5	-	38.707
VI. Loans to customers		51.159.819	44.122.736
1. Loans to customers	V.6	51.783.052	44.702.595
2. Allowance for loans to customers	V.7	(623.233)	(579.859)
VII. Factoring activities		-	-
1. Factoring		-	-
2. Provision for factoring activities		-	-
VIII Investment securities	V.8	3.378.950	7.584.875
1. Available-for-sale investment securities	V.8	796.897	1.541.999
2. Held-to-maturity investment securities	V.8	2.588.098	6.048.842
3. Provisions for devaluation of investment securities	V.8	(6.045)	(5.966)
IX. Capital contribution, long-term investments	V.9	500.000	500.000
1. Investments in subsidiary	V.9	500.000	500.000
2. Investment in joint ventures		-	-
3. Investments in associates		-	-
4. Other long-term investments		-	-
5. Provisions for devaluation of long-term investments		-	-
X. Fixed assets		1.351.082	1.377.333
1. Tangible fixed assets	V.10	610.175	652.258
a. Historical costs	V.10	1.104.523	1.093.110
b. Depreciation	V.10	(494.348)	(440.852)
2. Financial leased assets		-	-
a. Historical costs		-	-
b. Depreciation		-	-
3. Intangible fixed assets	V.11	740.907	725.075
a. Initial costs	V.11	854.110	819.876
b. Amortization	V.11	(113.203)	(94.801)
XI. Investment property		-	-
a. Historical costs		-	-
b. Depreciation		-	-
XII. Other assets		5.724.113	6.429.991
1. Receivables	V.12	4.048.945	5.112.393
2. Interests and fees receivable	V.13	1.437.931	1.097.493
3. Deferred income tax assets		-	-
4. Other assets	V.14	266.541	249.409
5. Provisions for risks from other assets		(29.304)	(29.304)
TOTAL ASSETS		87.282.744	86.066.196

KIEN LONG COMMERCIAL JOINT STOCK BANK

Address: No. 40 – 42 – 44 Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province

SEPARATE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

Separate Statement of Financial Position (cont.)

B - LIABILITIES AND OWNER'S EQUITY	Note	Ending balance	Beginning balance
I. Borrowings from the Government and the State Bank of Vietnam	V.15	-	2.451.824
1. Deposits and borrowings from the Government and the SBV	V.15	-	2.451.824
2. Sales and redeem of Government bonds with the State Treasury		-	-
II. Deposits and borrowings from other credit institutions	V.16	18.118.930	23.646.899
1. Deposits from other credit institutions	V.16	15.268.267	19.623.547
2. Borrowings from other credit institutions	V.16	2.850.663	4.023.352
III. Deposits from customers	V.17	57.215.845	52.521.563
IV. Derivative financial instruments and other financial liabilities	V.5	25.404	-
V. Trust funds and other borrowed funds		-	-
VI. Valuable papers issued	V.18	3.459.091	-
VII. Other liabilities		2.733.321	2.283.833
1. Interests, fees payable	V.19	1.628.329	1.092.550
2. Deferred corporate income tax		-	-
3. Other liabilities	V.20	1.104.992	1.191.283
4. Provision for other losses (for contingencies)		-	-
Total liabilities		81.552.591	80.904.119
VIII. Equity and Funds	V.21	5.730.153	5.162.077
1. Equity of credit institutions		3.618.619	3.618.619
a. Charter capital	V.21	3.652.819	3.652.819
b. Basic construction investment fund		-	-
c. Share premiums		-	-
d. Treasury stocks	V.21	(34.200)	(34.200)
e. Preferred stocks		-	-
f. Other equity		-	-
2. Funds of credit institutions	V.21, 22	464.700	383.022
3. Exchange rate difference		-	-
4. Differences on revaluation of assets		-	-
5. Retained earnings/Accumulated loss	V.21	1.646.834	1.160.436
TOTAL LIABILITIES AND OWNERS' EQUITY		87.282.744	86.066.196

KIEN LONG COMMERCIAL JOINT STOCK BANK

Address: No. 40 – 42 – 44 Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province

SEPARATE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

Separate Statement of Financial Position (cont.)**OFF-SEPARATE STATEMENT OF FINANCIAL POSITION ITEMS**

ITEMS	Note	Ending balance	Beginning balance
1. Capital loan guarantees		-	-
2. Commitments in foreign currency transactions		8.878.747	7.226.798
<i>Purchase of foreign currencies</i>		-	47.060
<i>Sales of of foreign currencies</i>		729.000	705.900
<i>Swap transactions</i>		8.149.747	6.473.838
<i>Future transactions</i>		-	-
3. Commitments in irrevocable loans		-	-
4. Commitments in transactions of L/C	VIII.4	416	6.938
5. Other guarantees	VIII.4	362.814	257.326
6. Other commitments		-	-
7. Interests on loans given and fees receivable	VIII.5	237.314	383.601
8. Treated doubtful debts	VIII.6	2.018.358	1.544.286
9. Other assets and documents	VIII.7	10.556.826	16.421.101

Thi Duyen
Preparer

Vu Dang Xuan Vinh
Chief Accountant



Rach Gia, 29 March 2024

Tran Ngoc Minh
General Director

KIEN LONG COMMERCIAL JOINT STOCK BANK

Address: No. 40 – 42 – 44 Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province

SEPARATE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

SEPARATE INCOME STATEMENT

For the fiscal year ended 31 December 2023

Unit: million VND

No.	ITEMS	Note	Current year	Previous year
1.	Interest and similar income	VI.1	7.779.429	5.376.251
2.	Interest and similar expenses	VI.2	5.771.407	3.299.576
I.	Net interest income		2.008.022	2.076.675
3.	Income from service provisions	VI.3	543.615	397.207
4.	Expenses on service provisions	VI.3	49.877	32.946
II.	Net gain/(loss) from service provisions	VI.3	493.738	364.261
III.	Net gain/(loss) from trading of foreign currencies	VI.4	59.196	34.981
IV.	Net gain/(loss) from trading of trading securities		-	-
V.	Net gain/(loss) from trading of investment securities	VI.5	82.450	7.818
5.	Gain from other activities	VI.6	95.513	88.476
6.	Expenses on other activities	VI.6	5.845	5.280
VI.	Net gain/(loss) from other activities	VI.6	89.668	83.196
VII.	Gain from capital contribution and share acquisition	VI.7	-	323
VIII.	Operating expenses	VI.8	1.603.600	1.411.132
IX.	Net operating income before provision for credit losses		1.129.474	1.156.122
X.	Provision for credit losses	VI.9	417.920	472.393
XI.	Total profit before tax		711.554	683.729
7.	Current corporate income tax	VIII.2	143.478	137.342
8.	Deferred corporate income tax		-	-
XII.	Corporate income tax		143.478	137.342
XIII.	Profit after tax		568.076	546.387
XIV.	Basic earnings per share	VI.10		

Thi Duyen
Preparer

Vu Dang Xuan Vinh
Chief Accountant

Tran Ngoc Minh
General Director



Rach Gia, 29 March 2024

KIEN LONG COMMERCIAL JOINT STOCK BANK

Address: No. 40 – 42 – 44 Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province

SEPARATE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

SEPARATE CASH FLOW STATEMENT

(Direct method)

For the fiscal year ended 31 December 2023

Unit: million VND

ITEMS	Note	Current year	Previous year
CASH FLOWS FROM OPERATING ACTIVITIES			
01. Interest and similar income received	V.13; VI.1	7.438.991	4.934.146
02. Interest and similar expenses paid	V.19; VI.2	(5.235.628)	(3.238.121)
03. Income received from service provisions	VI.3	493.738	364.261
04. Differences of actual receipts/actual payments on trading activities (foreign currency, gold and securities)	VI.4, 5	141.646	42.799
05. Other income		(2.250)	(2.879)
06. Receipts of debts written off and compensated by provisions for credit risks	VI.6	91.328	83.647
07. Payments to employees and for management and administrative works		(1.507.190)	(1.371.520)
08. Tax actually paid during the year	VIII.2	(134.064)	(173.428)
<i>Net cash flows from operating activities before changes in current assets and capital</i>		<u>1.286.571</u>	<u>638.905</u>
<i>Changes in operating assets</i>			
09. (Increase)/Decrease in gold, deposits at and loans to other credit institutions		-	-
10. (Increase)/Decrease in trading securities		4.350.101	(641.391)
11. (Increase)/Decrease in financial derivatives and other financial assets		38.707	(32.671)
12. (Increase)/Decrease in loans to customers		(7.080.457)	(6.315.256)
13. (Decrease)/Increase in provisions for losses	V.7	(374.546)	(259.350)
14. (Increase)/decrease in other operating assets		1.046.316	(4.557.341)
<i>Changes in operating liabilities</i>			
15. Increase/(Decrease) in obligations to the Government and the State	V.15	(2.451.824)	2.451.824
16. Increase/(Decrease) in deposits and loans from credit organizations		(5.527.969)	(2.183.895)
17. Increase/(Decrease) in deposits from customers (including State Treasury)		4.694.282	864.482
18. Increase/(Decrease) in valuable papers issued (except for valuable papers included into financing activities)	V.18	3.459.091	(300.000)
19. Increase/(Decrease) in financing capital, investment entrustment, loans from credit institutions bearing risk thereof		-	-
20. Increase/(Decrease) in financial derivatives and other financial liabilities	V.5	25.404	-
21. Increase/(Decrease) in other operating liabilities		(60.770)	636.277
22. Disbursement of funds of credit institutions	V.20	(41.093)	(2.694)
I. Net cash flows from operating activities		<u>(636.187)</u>	<u>(9.701.110)</u>

KIEN LONG COMMERCIAL JOINT STOCK BANK

Address: No. 40 – 42 – 44 Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province

SEPARATE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

Separate Cash Flow Statement (cont.)

ITEMS	Note	Current year	Previous year
CASH FLOWS FROM INVESTING ACTIVITIES			
01. Purchases of fixed assets		(64.001)	(107.442)
02. Gains from liquidations and disposals of fixed assets		590	2.429
03. Expenses on liquidations and disposals of fixed assets		-	-
04. Purchases of investment property		-	-
05. Gains from liquidations and disposals of investment property		-	-
06. Expenses on liquidations and disposals of investment property		-	-
07. Investments in other entities (acquisition of subsidiaries, investments in joint ventures, associates and other long-term investments)		-	-
08. Gain from investments in other entities (gain from sales, liquidations of subsidiaries, investments in joint ventures, associates and other long-term investments)		-	-
09. Receipts of dividends and profit shared from long-term investments and capital contributions		-	323
II. Cash flows from investing activities		(63.411)	(104.690)
CASH FLOWS FROM FINANCING ACTIVITIES			
01. Increase of share capital from capital contribution and/or from share issuance		-	-
02. Gain from issuance of long-term valuable papers which have enough conditions to be included into capital and other long-term		-	-
03. Payments for long-term valuable papers which have enough conditions to be included into capital and other long-term loans		-	-
04. Dividends paid to shareholders and profit shared		-	-
05. Purchases of treasury stocks		-	-
06. Gain from sales of treasury stocks		-	-
III. Net cash flows from financing activities		-	-
IV. Net cash flows during the year		(699.598)	(9.805.800)
V. Beginning cash and cash equivalents	V.II	25.868.378	35.674.178
VI. Adjustment for effects of foreign exchange fluctuation		-	-
VII. Ending cash and cash equivalents	V.II	25.168.780	25.868.378

Rach Gia, 29 March 2024

Thi Duyen
Preparer

Vu Dang Xuan Vinh
Chief Accountant



Tran Ngoc Minh
General Director

KIEN LONG COMMERCIAL JOINT STOCK BANK

Address: No. 40 – 42 – 44 Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province

SEPARATE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

I. GENERAL INFORMATION

1. Establishment, operation, validity period

Kien Long Commercial Joint Stock Bank, formerly known as Kien Long Rural Joint Stock Bank (hereinafter referred to as “the Bank”) has been operating under:

- The Establishment and Operation License No. 0056/NH-GP dated 18 September 1995 issued by the State Bank of Vietnam (SBV).
- The Bank Establishment License No. 1115/GP-UB dated 02 October 1995 issued by the People’s Committee of Kien Giang Province.

In 2006, the Bank was renamed to Kien Long Commercial Joint Stock Bank and its operation model was changed from a rural bank to an urban bank.

The Bank has been operating under the Business Registration Certificate No. 1700197787, registered for the first time on 10 October 1995, issued by Kien Giang Province Department of Planning and Investment. During its operation course, the Bank’s Business Registration Certificate has been amended several times, and the most recent amendment was made on 21 December 2022.

The Bank’s term of operation is 50 years, starting from 18 September 1995.

The principal business activities of the Bank consist of mobilizing short, medium and long-term deposits from organizations and individuals; granting short, medium and long-term loans based on the Bank’s capital resources; providing settlement and cashier services and other banking services in accordance with the approval of the SBV; contributing capital, purchasing shares, investing in bonds and trading foreign currencies under law requirements; providing asset management and preservation services, leasing cabinets and safes.

2. Ownership form

Kien Long Commercial Joint Stock Bank is a commercial joint stock bank.

3. Charter capital

As at 31 December 2023, the Bank’s charter capital is VND 3.652.819 million (as at 31 December 2022: VND 3.652.819 million).

4. Operation network

The Bank’s Head Office is located at No. 40 – 42 – 44 Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province. As at 31 December 2023, the Bank has one (01) head office, thirty one (31) branches and one hundred and three (103) transaction offices nation-wide.

5. Subsidiaries

The Bank invests in KienLongBank Asset Management Company (a subsidiary) located at 6th Floor, No. 40 – 42 – 44, Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province. This subsidiary has been operating in line with the Business Registration Certificate No. 1701452905 dated 12 November 2010, issued by Kien Giang Province Department of Planning and Investment and the most recent of which dated 27 October 2023. The principal business activities of the subsidiary include consulting, performing business brokerage, leasing real estates, land use rights; managing loans and collateral for loans; valuating collaterals and managing collateral files; restructuring loans; buying debts from and selling debts to credit institutions. As at the balance sheet date, benefit rate and voting rate of the Bank at this subsidiary are 100% (beginning balance: 100%).

KIEN LONG COMMERCIAL JOINT STOCK BANK

Address: No. 40 – 42 – 44 Pham Hong Thai Street, Vinh Thanh Van Ward, Rach Gia City, Kien Giang Province

SEPARATE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

Notes to the Separate Financial Statements (cont.)

6. Headcount

As of the balance sheet date, the Bank's headcount is 3.615 (headcount at the beginning of the year: 3.455).

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

The fiscal year of the Bank is from 01 January to 31 December annually.

2. Accounting currency unit

The accounting currency unit is Vietnam Dong (VND). According to the Circular No. 49/2014/TT-NHNN dated 31 December 2014 of the SBV, the figures are rounded to million and presented in million Vietnam Dong (million VND) when preparing the Separate Financial Statements.

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Bank has been applying the Accounting System applicable to Credit Institutions released by the SBV together with the Decision No. 479/2004/QĐ-NHNN dated 29 April 2004, the Circular No. 10/2014/TT-NHNN dated 20 March 2014, the Circular No. 49/2014/TT-NHNN dated 31 December 2014, the Circular No. 22/2017/TT-NHNN dated 29 December 2017 and the Circular No. 27/2021/TT-NHNN dated 31 December 2021. The preparation of the Separate Financial Statements follows the Regime on Financial Reporting for credit institutions issued together with the Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 of the SBV's Governor, the Circular No. 49/2014/TT-NHNN dated 31 December 2014, the Circular No. 22/2017/TT-NHNN dated 29 December 2017 and the Circular No. 27/2021/TT-NHNN dated 31 December 2021 of the SBV as well as other relevant Accounting Standards.

2. Statement of the compliance with the Accounting Standards and System

The Separate Financial Statements have been prepared in accordance with Vietnamese Accounting Standards and System for Credit Institutions stipulated by the SBV and the relevant statutory requirements applicable to financial reporting.

The Bank has also prepared the Consolidated Financial Statements of the Bank and its subsidiary (collectively referred to as "the Group") in accordance with Vietnamese Accounting Standards and System for Credit Institutions stipulated by the SBV and the relevant statutory requirements applicable to financial reporting. These Separate Financial Statements should be read in conjunction with the Group's Consolidated Financial Statements for the fiscal year ended 31 December 2023 in order to obtain full information on the consolidated financial position and the consolidated financial performance of the Group as a whole.

3. Basis of measurement

The Separate Financial Statements, except for the Separate Cash Flow Statement, are prepared on the accrual basis using the historical cost concept. The Separate Cash Flow Statement is prepared using the direct method.

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IV. ACCOUNTING POLICIES

1. Foreign currency translation

All transactions of the Bank are recorded in original currencies. Monetary items denominated in currencies other than VND are translated into VND at the average of buying and selling spot exchange rate of that currency (“spot exchange rate”) ruling at the end of the last working day of the fiscal year if the difference between this spot exchange rate and the weighted average of the buying and selling exchange rates ruling on the last working day of the fiscal year is less than 1%; in case this difference is equal to or greater than 1%, the Bank uses the weighted average of the buying and selling exchange rates ruling on the last working day of the fiscal year. Non-monetary items denominated in currencies other than VND are translated to VND at exchange rates ruling on the transaction dates.

Income and expenses in foreign currencies are translated into VND at the average of the buying and selling exchange rates ruling on the transaction dates.

Foreign exchange differences arising from monthly translation of monetary assets and liabilities are recognized in the “Foreign exchange differences” account in equity caption and then transferred to the Separate Income Statement at the end of the annual accounting period.

2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits at the SBV, deposits at and loans to other credit institutions with original term to maturity of not more than three months, that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

3. Deposits at and loans to other credit institutions

Deposits at other credit institutions

Deposits at other credit institutions include demand deposits, deposits at local credit institutions, branches of overseas banks with original maturity of less than three months and deposits at overseas credit institutions.

Deposits with local credit institutions, branches of overseas banks excluding demand deposits and deposits with overseas credit institutions are stated at the outstanding amount less provision for credit losses.

Credit risk classification of deposits (excluding deposits for payment) with local credit institutions, branches of overseas banks and provision thereof are made in accordance with the Circular No. 11/2021/TT-NHNN dated 30 July 2021 regulating the classification of assets, credit loss provision level, provision calculation method and utilization of provision in operations of credit institutions and foreign bank branches (Circular No. 11/2021/TT-NHNN) of the SBV. The Bank has classified deposits with credit institutions in accordance with a quantitative method as stipulated in above Circulars. Specific provision for credit losses on deposits with credit institutions is calculated based on the overdue status of the principal outstanding or interest at the following rates:

• Group 1 (Standard loans)	:	0%
• Group 2 (Special-mentioned loans)	:	5%
• Group 3 (Sub-standard loans)	:	20%
• Group 4 (Doubtful loans)	:	50%
• Group 5 (Bad debts)	:	100%

Loans to other credit institutions

Loans to other credit institutions are loans with original terms to maturity of less than 1 year.

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Loans to other credit institutions are stated at the amount of principal outstanding less provision for credit losses on loans to credit institutions.

Credit risk classification of loans to other credit institutions and specific provision thereof are made in accordance with Circular No. 11/2021/TT-NHNN being similar to provision for credit losses on deposits with other credit institutions as described above.

In accordance with Circular No. 11/2021/TT-NHNN, the Bank is not required to make general provision for deposits with and loans to other credit institutions.

4. Trading securities

Classification

Trading securities are securities which are acquired principally for the purpose of selling them in the near term or there is evidence of a recent pattern of short-term profit-taking.

Recognition

The Bank recognizes the trading securities on the date it becomes a party to the contractual provision of these securities.

Measurement

Trading securities are stated at carrying amount less provision for diminution in their value. A provision is made for the diminution in value if the market value of the trading securities falls below carrying amount. The maximum rate of provision for diminution in value of trading securities is equal to the carrying amount of such securities.

The provision for diminution in the value of trading securities is reversed as at the date of annual Financial Statements if the provision to be made in current year is lower than provision made in the previous year, or whenever the Financial Statements are prepared and the Bank no longer holds any trading securities.

Cost of trading securities is determined on a weighted average basis.

Derecognition

Trading securities are derecognized when the rights to receive cash flows from these securities have expired or the Bank has transferred substantially all risks and rewards of ownership.

5. Loans to customers and provision of credit risk

Loans are recognized when the loan agreement or loan receipt commitment is signed by the Bank and customer and the loan amount is released to customer by the Bank.

Loans are given to entities under such forms as loans given by installments, loans given according to credit lines, project loans, etc.

Collaterals are mainly mortgage and pledge of assets in addition to trust receipts.

Classification of loans to customers

Loan classifications and provision for credit losses are made in accordance with Circular No. 11/2021/TT-NHNN. The Bank has made debt rescheduling, exemption or reduction of interests and fees, retention of debt category to assist borrowers affected by Covid-19 pandemic in accordance with Circular No. 01/2020/TT-NHNN dated 13 March 2020, Circular No. 03/2021/TT-NHNN dated 02 April 2021, Circular No. 14/2021/TT-NHNN dated 07 September 2021 amending and supplementing certain articles of Circular No. 01/2020/TT-NHNN, Circular No. 02/2023/TT-NHNN dated 23 April 2023 issued by the Governor of the SBV.

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Where a customer owes more than one debt to the Bank, and has any of its debts transferred to a higher risk group of debts, the Bank is obliged to classify the remaining debts of such customer into the group of debts with higher risk corresponding with their level of risk, except for the debt balance after restructuring the repayment term and keeping the debt group unchanged as prescribed in Circular No. 01/2020/TT-NHNN, Circular No. 03/2021/TT-NHNN, Circular No. 14/2021/TT-NHNN and Circular No. 02/2023/TT-NHNN which is still due according to the time limit for restructuring, the Bank does not apply the principle of adjustment and reclassification into the group of debts with a higher level of risk.

Where the Bank participates in a syndicated loan not being as the lead bank, the Bank reclassifies all debts (including the outstanding syndicated loan) of the customer into a higher risk group of debt as decided by the lead bank and by participating banks.

The Bank has used the result of the loan classification provided by the Credit Information Center ("CIC") to adjust its classifications on monthly basis according to Circular No. 11/2021/TT-NHNN. Where the Bank classifies its customer loans to a lower risk group of debt compared to the classification provided by CIC, the Bank has to reclassify the loans into the higher risk group according to CIC classifications.

Provision for credit losses on loans to customers

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

• Group 1 (Standard loans)	:	0%
• Group 2 (Special-mentioned loans)	:	5%
• Group 3 (Sub-standard loans)	:	20%
• Group 4 (Doubtful loans)	:	50%
• Group 5 (Bad debts)	:	100%

In accordance with Circular No. 11/2021/TT-NHNN, a general provision is made at 0,75% of the outstanding balance of loans to customers at the end of each month, excluding the loans to customers which are classified as bad debts.

The specific provision is calculated based on the net credit exposure of each borrower, i.e. based on the borrower's loan balance at the end of each month less the allowed value of collateral assets in accordance with Circular No. 11/2021/TT-NHNN. The value and rate of collateral assets are determined in accordance with the following principles as set out in Circular No. 11/2021/TT-NHNN. Collateral asset with value of VND 50 billion or more for loans to related parties or other parties subject to credit restriction under Article 127 of Law on Credit Institutions and collateral asset with value of VND 200 billion or more for the other customers must be valued by a licensed asset valuation organization. Other than the above, collateral assets are valued in accordance with the Bank's internal policy and process. Collateral assets that do not satisfy the legal conditions as specified in Circular No. 11/2021/TT-NHNN are deemed to have zero value.

The specific provision is additionally made in accordance with Circular No. 03/2021/TT-NHNN, Circular No. 14/2021/TT-NHNN amending and supplementing certain articles of Circular No. 01/2020/TT-NHNN regulating debt restructure, exemption or reduction of interest and fees, retention of debt category to assist borrowers affected by the Covid-19 pandemic.

Written-off loans to customers

Loans to customers are written off against the provision when loans to customers have been classified to Group 5 or when borrowers have declared bankrupt or dissolved (for borrowers being organizations and enterprises) or borrowers are deceased or missing (for borrowers being individuals). The Bank's Risk Settlement Committee shall write off the loans when they consider that all reasonable efforts for recovery of bad debts, including legal actions, have been exhausted.

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The Bank transfers written-off loans by recording them on off-statement of financial position accounts and continues to monitor and take measures to fully recover the debt according to the agreement signed with the client.

Off-statement of financial position commitments

Off-statement of financial position commitments include guarantees, foreign exchange commitments and L/C commitments.

The classification of off-statement of financial position commitments is conducted solely for management, supervision of credit granting quality in accordance with the same accounting policy applied to loans to customers as described in the above mentioned Note.

All outstanding debts and value of off-statement of financial position commitments of one customer at a credit institution, foreign bank branch shall be classified into one debt group. For customer who has two debts and over and/or off-statement of financial position commitments at a credit institution, foreign bank branch and any one debt of them is classified in the group of higher risk than other debts or off-statement of financial position commitments, the credit institution, foreign bank branch shall classify the other debts or off-statement of financial position commitments of the customer in the group of highest risk level.

In accordance with Circular No. 11/2021/TT-NHNN, the Bank is not required to make provision for off-statement of financial position commitments.

6. Investment securities

Investment securities include available-for-sale investment securities and held-to-maturity investment securities. The Bank classifies investment securities at the time of purchase as available-for-sale investment securities or held-to-maturity investment securities. In accordance with the Official Letter No. 2601/NHNN-TCKT dated 14 April 2009 issued by the SBV, for investment securities, the Bank is allowed to reclassify maximum once after the initial classification at the time of purchase.

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

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

Recognition of investment securities

The Bank recognizes investment securities on order-matching date for listed securities or on the date when the Bank officially holds the ownership as prescribed by the laws for unlisted securities.

Debt securities

Available-for-sale debt securities and held-to-maturity debt securities are initially recognized at cost which include purchase price plus any directly attributable transaction costs such as brokerage, transaction, information, taxes, fees and bank charges. Subsequently, these securities are stated at amortized cost (subject to premium and discount amortization) less allowance for losses on securities (including allowance for credit losses and allowance for diminution in value of securities). Premiums and discounts arising from purchases of debt securities are amortized to the Separate Income Statement using the straight-line method over the period of holding.

Listed available-for-sale debt securities are recognized at cost less allowance for diminution in value by reference to the closing price obtained from the Hanoi Stock Exchange at the balance sheet date. Allowance for held-to-maturity debt securities is made when there is an indicator of lasting diminution in value or there is the strong evidence that the Group can hardly recover fully investments.

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Unlisted available-for-sale debt securities and held-to-maturity debt securities are recognized at cost less allowance for credit losses in accordance with the requirements of the Circular No. 11/2021/TT-NHNN.

Post-acquisition interest income of available-for-sale debt securities and held-to-maturity debt securities is recognized in the Separate Income Statement on an accrual basis. Pre-acquisition interest income of debt securities is recognized as a reduction to cost when received.

The allowance for losses on investment securities as mentioned above is reversed if there is a subsequent increase in the recoverable amount after the allowance being recognized. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognized.

Derecognition of investment securities

Investment securities are derecognized on order-matching date for listed securities or on the date when the Bank officially transferred its ownership as prescribed by the laws for unlisted securities.

7. Investments in subsidiaries

Subsidiaries are entities controlled by the Bank. Control exists when the Bank has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiaries are stated at cost less allowances for diminution in value. Allowances for impairment of investments in subsidiaries is made when the subsidiaries suffer from losses at the rate equal to the difference between the actual capital invested by investors in subsidiaries and the actual owner's equity multiplying (x) by the Bank's rate of actual charter capital contributed in subsidiaries. If the subsidiaries are consolidated into Consolidated Financial Statements, the basis for impairment allowances is the Consolidated Financial Statements.

Increases/(decreases) in the allowance for impairment of investments in subsidiaries as of the balance sheet date are recorded into the Separate Income Statement. An allowance is reversed only to the extent that the investments' carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognized.

8. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Bank to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into costs during the year.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	05 – 50
Machinery and equipment	05 – 15
Motor vehicles	06 – 10
Office equipment	03 – 08
Other fixed assets	05 – 10

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9. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Bank to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the year only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Bank's intangible fixed assets include:

Land use right

Land use right includes all the actual expenses paid by the Bank directly related to the land being used such as expenses to obtain the land use right, registration fees, etc. The land use right is amortized in accordance with the straight-line method over the land using period (i.e. 36 - 49 years); if the land use right is permanent, it is not amortized.

Computer software

Expenses attributable to computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Bank until the date the software is put into use. Computer software is amortized in accordance with the straight-line method from 3 - 8 years.

10. Operating leased assets

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the Bank's operation costs in accordance with the straight-line method over the lease term and do not depend on the method of lease payment.

11. Other assets

Acquisition of fixed assets, construction in progress

Acquisition of fixed assets, construction in progress represent the costs of acquisition of assets, repair of head office, construction and upgrading of software which have not been fully completed. No depreciation is provided for construction in progress during the period of construction and upgrading.

Foreclosed assets

Foreclosed assets are assets of which the ownership was transferred to the Bank and awaiting settlement.

Other assets

Other assets, except for receivables from credit activities, are stated at cost less allowance for credit losses on other assets.

Allowance for losses on other assets are made based on the overdue status of debts or based on anticipated losses on undue debts which may occurred when an economic organization is bankrupted or liquidated or debtor is missing, running away, being prosecuted, in prison, under a trial or pending execution of sentences or deceased. Allowance made is recognized as operating expense during the year.

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For overdue debts, the Bank makes allowance for credit losses using the allowance rates that is applied for overdue period in accordance with the Circular No. 48/2019/TT-BTC dated 08 August 2019 of the Ministry of Finance on the basis of the debt age or estimated loss as follows:

- As for overdue debts:
 - 30% of the value of debts overdue between 6 months and less than 1 year.
 - 50% of the value of debts overdue between 1 year and less than 2 years.
 - 70% of the value of debts overdue between 2 years and less than 3 years.
 - 100% of the value of debts overdue more than 3 years.
- As for doubtful debts: Allowance is made on the basis of the estimated loss.

Increases/(decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into operating expenses.

12. Liabilities

Liabilities including borrowings from Government and the State Bank of Vietnam, deposits at and loans from other credit institutions, deposits from customers and other liabilities are presented at their costs.

13. Provisions for payables

Provisions are recorded when the Bank has present obligations (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If time causes material effects, the provisions will be determined by deducting the amount to be spent in future to settle the liability at the pre-tax discount rate that reflects the assessments of the time value of money and the specific risks from this liability in the current market.

14. Financial derivatives

Financial derivatives are recognized on the Separate Statement of Financial Position at contract value at the transaction date and subsequently revalued at fair value. Gains or losses from disposal of derivative are recognized in the Separate Income Statement. Unrealized gains or losses are not recognized in the Separate Income Statement, but are recognized in difference on the revaluation of derivatives in the Separate Statement of Financial Position and are included in the Separate Income Statement at the end of annual accounting period.

15. Owner's equity and funds

Charter capital

Ordinary shares are classified as owner's equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from owner's equity.

Treasury shares

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury shares and a corresponding decrease in owner's equity then is recognized. When this share capital is re-issued, the difference between the re-issuance price and carrying value of treasury shares is recorded in "share premiums".

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Reserves

According to the Decree No. 93/2017/NĐ-CP dated 07 August 2017 issued by the Government of Vietnam on financial regulations applicable to credit institutions, the Bank is required to make the following statutory reserves before distribution of profit:

	<u>Annual allocation</u>	<u>Maximum balance</u>
Reserve to supplement charter capital	5% of profit after tax	Charter capital
Financial reserve	10% of profit after tax	Not specified

The reserve to supplement charter capital is to supplement the Bank's charter capital.

The purpose of financial reserve is:

- to compensate the unrecoverable losses, damages of assets or liabilities during the Bank's course of business;
- to compensate the Bank's loss according to the Decision of the General Meeting of Shareholders.

Financial reserves and reserve to supplement charter capital are non-distributable and are classified as part of owner's equity.

Other equity funds are appropriated from profit after tax. Appropriation from profit after tax and use of other funds must be approved by the General Meeting of Shareholders. These funds are not regulated by the laws and are allowed to distribute fully.

Bonus and welfare funds

Bonus and welfare funds are not required by laws, are appropriated from profit after tax and are fully distributable, and are used primarily to make payments to the Bank's employees. Bonus and welfare funds are recognized in the Bank's liabilities.

16. Off-separate statement of financial position items

From time to time, the Bank has outstanding commitments to grant credit. These commitments take the form of approved loans and overdraft facilities. The Bank also provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. The contingent liabilities and commitments may expire without being advanced in whole or in part. Therefore, the amounts do not represent a firm commitment of future cash flows.

17. Interest income, interest expenses and cessation of estimated interests receivable

Interest income is recognized in the Separate Income Statement on the accrual basis, except for interest income from debts classified in Group 2 to Group 5 and debts classified in Group 1 (Standard loans) resulting from implementation of special policies of the State being recognized in the Separate Income Statement upon receipt.

When debts classified as Standard loans resulting from implementation of special policies of the State, their interest income incurring during the year is not recorded as income but recorded in the off-statement of financial position. Interest income from these debts is recognized in the Separate Income Statement upon receipt.

Interests from deposits, from investments in bonds and debentures, etc., are the amounts of interest receivable during the year.

Payments for interests on loans and deposits are recorded on the basis of estimates.

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18. Income from service provisions

Income from service provisions consists of fees received from settlement services, cashier services and other services. Income from settlement services, cashier services and other services are recognized upon actual receipt.

19. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the Separate Financial Statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Separate Income Statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Bank shall offset deferred tax assets and deferred tax liabilities if:

- The Bank has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
 - Of the same subject to corporate income tax; or
 - The Bank has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

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20. Financial assets

Classification of financial assets

The classification of these financial assets depends on their nature and the purpose and is determined at the date of initial recognition. The financial assets of the Bank include financial assets recognized at fair values through Income Statement, held-to-maturity investments, deposits at the SBV, deposits at and loans to other credit institutions, loans given and receivables, and available-for-sale financial assets.

Financial assets recognized at fair values through Income Statement

A financial asset is classified as an asset recognized at fair value through Income Statement if it is held for trading or is categorized in the group of assets reflected at fair value through Income Statement at the date of initial recognition.

Financial asset will be classified as securities held for trading if:

- It is purchased or created mainly for the purpose of repurchase in a short term;
- The Bank intends to hold for the purpose of gaining profits in a short term;
- It is a derivative financial instrument (except derivative financial instruments identified as a financial guarantee contract or an effective risk protection instrument).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or identified payments and fixed maturity periods which the Bank has the intention and ability to hold until the dates of maturity.

Loans given and receivables

Loans and receivables are non-derivative financial assets with fixed or identified payments, which are not listed on the market.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets determined as available for sale or not classified as financial assets recognized at fair values through Income Statement, held-to-maturity investments, loans given and receivables.

Initial carrying value of a financial asset

Financial assets are recognized at the acquisition date and are derecognized at the selling date. At the date of initial recognition, financial assets recognized at fair values through Income Statement are determined at the fair value, other financial assets are recognized according acquiring price/issuing cost plus other costs directly related to the acquisition or issuance of that financial asset.

21. Financial liabilities and equity instrument

Financial instruments are classified as financial liabilities or equity instruments upon the dates of initial recognition in conformity with the natures and definitions of financial liabilities or equity instruments.

Financial liabilities

The classification of financial liabilities depends on their natures and purposes and is determined at the date of initial recognition. The Bank's financial liabilities include financial liabilities recognized at fair values through Income Statement and other financial liabilities.

Financial liabilities recognized at fair values through Income Statement

Financial liability is classified as the liability recognized at fair value through Income Statement if it is held for trading or is categorized in the group of liabilities reflected at fair value through Income Statement upon initial recognition.

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Financial liabilities will be classified as securities held for trading if:

- It is issued or created mainly for the purpose of repurchase in a short term;
- The Bank intends to hold for the purpose of gaining profits in a short term;
- It is a derivative financial instrument (except derivative financial instruments identified as a financial guarantee contract or an effective risk protection instrument).

At the date of initial recognition, the financial liabilities recognized at fair values through Income Statement are determined at the fair value.

Other financial liabilities

Other financial liabilities include deposits and loans from the SBV and other credit institutions, deposits from customers, and other payables.

At the date of initial recognition, except for the liabilities related to financial lease or convertible bonds which are recognized at allocated value, other financial liabilities are initially recognized at historical costs plus other costs directly related to those financial liabilities.

The allocated value is determined equally to the initially recognized value of that financial liability less the principals which a bank has to repay, plus or minus the accumulated allocations calculated based on the actual interest method of the difference between the initially recorded value and the value upon maturity date, minus the deductions (directly or through a provision account) due to impairment or since it cannot be recovered.

Actual interest method is a method of calculating the allocated value of one financial liability or of a group of financial liabilities and distributing incomes or expenses in the related period. The effective interest rate is the discount interest rate of cash flows estimated to be settled or obtained in the future throughout the expected life cycle of a financial instrument or in a shorter period, if necessary, to return to the current net carrying value of a financial liability.

Equity instrument

Equity instrument is the contract which can prove the remaining benefits in the assets of the Bank after deducting all of its liabilities.

22. Offsetting financial instruments against each other

Financial assets and financial liabilities will be offset against each other and are reflected at their net values on the Separate Statement of Financial Position when, and only when, the Bank:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to realize the asset and to settle the liability simultaneously.

23. Segment reporting

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

The segment information is prepared and presented in conformity with the accounting policies applicable to the preparation and presentation of the Separate Financial Statements of the Bank.

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Notes to the Separate Financial Statements (cont.)**24. Related parties**

Related parties include enterprises and individuals that directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Bank and its subsidiary. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank and subsidiary that gives them significant influence over the Bank and its subsidiary, key management personnel, including members of Board of Management, members of Board of Directors, members of Supervisory Board and close family members of these individuals and companies associated with these individuals also constitute related parties.

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

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE SEPARATE STATEMENT OF FINANCIAL POSITION**1. Cash on hand, gold and gemstones**

	Ending balance	Beginning balance
Cash on hand in VND	637.293	701.168
Cash on hand in foreign currencies	23.302	41.649
Total	660.595	742.817

2. Deposits at the SBV

	Ending balance	Beginning balance
Deposits in VND	5.642.438	1.341.428
Deposits in foreign currencies	492.245	6.499
Total	6.134.683	1.347.927

These are mostly the current accounts and the compulsory reserves at the State Bank of Vietnam. In which, the compulsory reserves are determined in compliance with the regulations of the State Bank of Vietnam at the rates as follows:

- Demand deposits and under-12-month deposits: 3% for VND, 8% for foreign currencies.
- Over-12-month deposits: 1% for VND, 6% for foreign currencies.
- Overseas deposits: 1% for foreign currencies.

3. Deposits at and loans to other credit institutions**3.1 Deposits at other credit institutions**

	Ending balance	Beginning balance
Demand deposits	428.402	4.689.334
<i>VND</i>	38.877	4.521.126
<i>Foreign currencies</i>	389.525	168.208
Term deposits	15.097.150	15.089.800
<i>VND</i>	11.695.150	14.148.600
<i>Foreign currencies</i>	3.402.000	941.200
Total	15.525.552	19.779.134

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Notes to the Separate Financial Statements (cont.)**3.2 Loans to other credit institutions**

	Ending balance	Beginning balance
Loans to other credit institutions	2.847.950	3.998.500
VND	2.847.950	3.998.500
Total	2.847.950	3.998.500

Loan portfolio by debt groups

As at 31 December 2023 and 31 December 2022, all deposits at and loans to other credit institutions are classified in Group 1 - Standard loans.

4. Trading securities

This item reflects securities issued by other local credit institutions (unlisted) and paid off during the year.

5. Financial derivatives and other financial assets/liabilities

	Total contract value (at foreign exchange rate at the contract date)	Total carrying value (at foreign exchange rate as at the balance sheet date)	
		Assets	Liabilities
Ending balance			
Currency derivatives (Currency swap contracts)	360.190	-	19.990
Currency derivatives (Currency forward contracts)	1.408.950	-	5.414
Total	1.769.140	-	25.404
Beginning balance			
Currency derivatives (Currency swap contracts)	1.692.506	21.876	-
Currency derivatives (Currency forward contracts)	1.388.270	16.831	-
Total	3.080.776	38.707	-

6. Loans to customers

	Ending balance	Beginning balance
Loans to domestic economic entities and individuals	51.783.052	44.700.596
Loans funded by grants and entrusted investment funds	-	1.999
Total	51.783.052	44.702.595

Loan portfolio by debt groups

	Ending balance	Beginning balance
Standard loans	50.157.776	43.501.787
Special-mentioned loans	623.705	355.793
Sub-standard loans	229.607	75.282
Doubtful loans	320.567	121.976
Bad debts	451.397	647.757
Total	51.783.052	44.702.595

Loan portfolio by terms

	Ending balance	Beginning balance
Short-term debts	30.074.064	27.619.454
Medium-term debts	17.963.067	10.291.949
Long-term debts	3.745.921	6.791.192
Total	51.783.052	44.702.595

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Notes to the Separate Financial Statements (cont.)*Loan portfolio by type of borrowers and type of businesses*

	<u>Ending balance</u>	<u>Beginning balance</u>
Household business and individuals	14.537.444	22.339.786
Limited liability companies	33.683.922	17.058.356
Joint stock companies	3.561.686	5.302.093
Private companies	-	2.360
Total	51.783.052	44.702.595

Loan portfolio by business sector of customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Production of materials products and self-consumption services of households	4.098.494	8.172.209
Agriculture, forestry and aquaculture	3.951.514	7.043.685
Other service activities	25.396.542	18.203.288
Real estate trading	2.195.625	2.928.243
Investments	-	270.000
Wholesale and retail; repair of automobiles, motorcycles, and other vehicles with engines	7.675.614	3.162.642
Construction	8.011.771	4.667.549
Transportation and warehousing	180.339	6.801
Manufacturing and processing industry	153.550	41.954
Accommodation and catering services	116.037	192.321
Health care and social relief activities	-	2.000
Information and media	1.600	409
Education and training	-	10.725
Electricity, gas, hot water and steam producing and distribution and air conditioning	661	640
Art and entertainment	-	45
Extractive industry	745	-
Administrative activities and supporting services	560	84
Total	51.783.052	44.702.595

7. Allowance for loans to customers*Changes (increase/decrease) in allowance for credit risk*

	<u>General allowance</u>	<u>Specific allowance</u>
Current year		
Beginning balance of the current year	(323.385)	(256.474)
Allowance made in the current year	(41.150)	(376.770)
Allowance utilized in the current year	-	374.546
Ending balance of the current year	(364.535)	(258.698)
Previous year		
Beginning balance of the previous year	(260.629)	(106.187)
Allowance made in the previous year	(62.756)	(409.637)
Allowance utilized in the previous year	-	259.350
Ending balance of the previous year	(323.385)	(256.474)

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Notes to the Separate Financial Statements (cont.)*Details of allowance balance*

	<u>Ending balance</u>	<u>Beginning balance</u>
Allowance for loans to customers:		
General allowance	(364.535)	(323.385)
Specific allowance	(258.698)	(256.474)
Total	(623.233)	(579.859)

8. Investment securities

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Available-for-sale investment securities</i>	<i>796.897</i>	<i>1.541.999</i>
<i>Debt securities</i>		
- Government bonds	-	348.597
- Bonds issued by other local credit institutions	-	397.800
Bonds issued by local economic institutions	796.897	795.602
<i>Provision for available-for-sale investment securities</i>	<i>(6.045)</i>	<i>(5.966)</i>
General provisions	(6.045)	(5.966)
Total available-for-sale investment securities	790.852	1.536.033
<i>Held-to-maturity investment securities (excluding special bonds issued by VAMC)</i>		
<i>Debt securities</i>		
Government bonds ⁽ⁱ⁾	2.588.098	6.048.842
Held-to-maturity investment securities	2.588.098	6.048.842
Total investment securities	3.378.950	7.584.875

- (i) The Government bonds including those with total nominal value amounting to VND 75.000 million (beginning balance: VND 3.616.000 million) pledged by the Bank to the SBV as security for open market transactions, clearing limit and net debit limit (see Note No. IX.5).

Movements in general allowance for unlisted corporate bonds are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	(5.966)	(5.956)
Allowance made during the year	(79)	(10)
Ending balance	(6.045)	(5.966)

9. Investment in a subsidiary

This is the investment in KienLongBank Asset Management Company. This subsidiary has been operating in accordance with the Business Registration Certificate No. 1701452905, registered for the first time on 12 November 2010 and amended for the latest time on 27 October 2023, granted by Kien Giang Province Department of Planning and Investment. As of 31 December 2023, Kien Long Commercial Joint Stock Bank has contributed fully charter capital of VND 500.000.000.000 as in the Business Registration Certificate.

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Notes to the Separate Financial Statements (cont.)**10. Tangible fixed assets**

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Other fixed assets	Total
Historical costs						
Beginning balance	729.020	74.349	135.205	131.698	22.838	1.093.110
Acquisition during the year	-	2.367	-	1.401	-	3.768
Completed constructions	92	-	7.940	-	-	8.032
Liquidation, disposal	(16)	(262)	-	(75)	-	(353)
Reclassification	-	75	-	(75)	(34)	(34)
Ending balance	729.096	76.529	143.145	132.949	22.804	1.104.523
<i>In which:</i>						
Assets fully depreciated but still in use	9.960	14.128	51.715	65.413	9.917	151.133
Depreciation						
Beginning balance	189.340	42.624	93.775	100.965	14.148	440.852
Depreciation during the year	28.382	5.571	9.376	9.667	734	53.730
Liquidation, disposal	(16)	(218)	-	-	-	(234)
Ending balance	217.706	47.977	103.151	110.632	14.882	494.348
Net book values						
Beginning balance	539.680	31.725	41.430	30.733	8.690	652.258
Ending balance	511.390	28.552	39.994	22.317	7.922	610.175
<i>In which:</i>						
Assets temporarily not in use	-	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-	-

11. Intangible fixed assets

	Land use right	Computer software	Other fixed assets	Total
Initial costs				
Beginning balance	686.287	113.575	20.014	819.876
Completed constructions	-	34.234	-	34.234
Ending balance	686.287	147.809	20.014	854.110
<i>In which:</i>				
Assets fully amortized but still in use	-	51.637	7.870	59.507
Amortization				
Beginning balance	10.483	69.142	15.176	94.801
Amortization during the year	1.840	14.742	1.820	18.402
Ending balance	12.323	83.884	16.996	113.203
Net book values				
Beginning balance	675.804	44.433	4.838	725.075
Ending balance	673.964	63.925	3.018	740.907
<i>In which:</i>				
Assets temporarily not in use	-	-	-	-
Assets waiting for liquidation	-	-	-	-

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Notes to the Separate Financial Statements (cont.)**12. Receivables**

	Ending balance	Beginning balance
Construction in progress ⁽ⁱ⁾	65.564	65.061
Receivable from the SBV under interest subsidy program	3.259	3.972
Deposits for office lease and advances for contracts	32.559	40.771
Advances for operating activities	2.024	8.820
Advances for payments to the State Budget	17.464	-
Receivables from Visa card business and Banknetvn	973.854	856.385
Trade receivables from L/C	2.842.357	4.020.291
Deposits at international payment institutions	34.924	34.136
Other receivables	76.940	82.957
Total	4.048.945	5.112.393

(i) Details of advances for acquisition of fixed assets and construction in progress are as follows:

	Ending balance	Beginning balance
Buildings	6.565	4.385
Computer software	47.608	60.676
Machinery and equipment	4.691	-
Motor vehicles	6.700	-
Total	65.564	65.061

13. Interest and fees receivable

	Ending balance	Beginning balance
Interest income from deposits	34.662	17.426
Interest income from investments in securities	73.681	130.675
Interest income from credit activities	1.250.909	839.809
Interest income from financial derivatives	7.064	3.443
Fees receivable	71.615	106.140
Total	1.437.931	1.097.493

14. Other assets

	Ending balance	Beginning balance
Expenses to be allocated	130.918	97.470
Tools and supplies	8.210	8.461
Payments on behalf of other credit institutions	-	15.684
Foreclosed assets of which ownership was transferred to the Bank and being awaited settlement	120.953	114.869
Other assets	6.460	12.925
Total	266.541	249.409

15. Deposits and borrowings from the Government, the SBV

This item reflects the borrowing from re-discounting bonds from the SBV at the interest rates ranging from 6%/year to 7%/year. This borrowing was paid off during the year.

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Notes to the Separate Financial Statements (cont.)**16. Deposits, gold deposits and borrowings from other credit institutions**

	Ending balance	Beginning balance
<i>Deposits from other credit institutions</i>	15.268.267	19.623.547
Demand deposits	26.817	4.534.147
<i>In VND</i>	26.817	4.534.147
Term deposits	15.241.450	15.089.400
<i>In VND</i>	11.207.650	14.148.200
<i>In foreign currencies</i>	4.033.800	941.200
<i>Borrowings from other credit institutions</i>	2.850.663	4.023.352
Borrowings from other credit institutions in VND	2.849.958	4.022.601
Borrowings from other credit institutions in foreign currencies	705	751
Total	18.118.930	23.646.899

17. Deposits from customers

	Ending balance	Beginning balance
Demand deposits	3.406.484	2.054.207
<i>In VND</i>	3.394.224	2.043.241
<i>In foreign currencies</i>	12.260	10.966
Term deposits	2.205.334	2.195.200
<i>In VND</i>	2.205.334	2.148.140
<i>In foreign currencies</i>	-	47.060
Current saving deposits	11.817	9.631
<i>In VND</i>	8.729	6.550
<i>In foreign currencies and gold</i>	3.088	3.081
Term saving deposits	51.582.642	48.240.973
<i>In VND</i>	51.537.924	48.194.602
<i>In foreign currencies and gold</i>	44.718	46.371
Marginal deposits	9.568	21.552
<i>In VND</i>	9.568	20.781
<i>In foreign currencies</i>	-	771
Total	57.215.845	52.521.563

Deposits from customers by type of customers and type of businesses are as follows:

	Ending balance	Beginning balance
<i>Deposits from economic entities</i>	3.771.942	2.836.670
Joint stock companies	1.239.037	1.113.862
Limited liability companies	860.727	753.908
Private companies	628	4.549
Others	1.671.550	964.351
<i>Deposits from individuals</i>	53.443.903	49.684.893
Total	57.215.845	52.521.563

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Notes to the Separate Financial Statements (cont.)**18. Issuance of valuable papers**

This item reflects certificates of deposits with the term from 3 to 84 months and the interest rates ranging from 5,7%/year to 9,5%/year. The interest is paid every 6 months or at the end of period.

19. Interests and fees payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Interest expense on deposits	1.504.310	983.469
Interest expense on issuance of valuable papers	48.292	-
Interest expense on borrowings	58.779	89.995
Interest expense on financial derivatives	16.948	19.086
Total	1.628.329	1.092.550

20. Payables and other liabilities

	<u>Ending balance</u>	<u>Beginning balance</u>
Taxes and other payables to the State Treasury (see Note No. VIII.2)	57.956	50.127
Payables to employees	24.278	-
Amounts awaiting settlement	864.075	1.032.271
Bonus and welfare funds ⁽ⁱ⁾	6.415	47.508
Remittance payables	7.347	1.500
Amounts kept for others and awaiting settlement	24.397	26.818
Other payables	120.524	33.059
Total	1.104.992	1.191.283

(i) Movements in bonus and welfare funds are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	47.508	9.790
Additions	-	38.953
Utilizations	(41.093)	(1.235)
Ending balance	6.415	47.508

21. Equity and funds of the Bank**Statement of changes in owner's equity**

	<u>Charter capital</u>	<u>Treasury shares</u>	<u>Funds of credit institutions</u>	<u>Retained earnings</u>	<u>Total</u>
Beginning balance of the previous year	3.652.819	(34.200)	267.530	769.953	4.656.102
Profit in the previous year	-	-	-	546.387	546.387
Appropriation to statutory reserves in the previous year from profit after tax of 2021	-	-	115.492	(115.492)	-
Appropriation to bonus and welfare funds	-	-	-	(38.953)	(38.953)
Transfer to make reserves at subsidiary	-	-	-	(1.459)	(1.459)
Ending balance of the previous year	3.652.819	(34.200)	383.022	1.160.436	5.162.077
Beginning balance of the current year	3.652.819	(34.200)	383.022	1.160.436	5.162.077
Profit in the current year	-	-	-	568.076	568.076
Appropriation to statutory reserves in the previous year from profit after tax of 2022	-	-	81.678	(81.678)	-
Ending balance of the current year	3.652.819	(34.200)	464.700	1.646.834	5.730.153

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Notes to the Separate Financial Statements (cont.)**Shares**

	Ending balance	Beginning balance
Number of shares registered to be issued	365.281.878	365.281.878
Number of shares sold to the public	365.281.878	365.281.878
- Ordinary shares	365.281.878	365.281.878
- Preferred shares	-	-
Number of shares repurchased	(3.800.000)	(3.800.000)
- Ordinary shares	(3.800.000)	(3.800.000)
- Preferred shares	-	-
Number of outstanding shares	361.481.878	361.481.878
- Ordinary shares	361.481.878	361.481.878
- Preferred shares	-	-

Par value of outstanding shares: VND 10.000.

22. Funds of the Bank

	Reserve to supplement charter capital	Financial reserves	Others	Total
Beginning balance of the previous year	26.868	240.659	3	267.530
Appropriation to statutory reserves in the previous year from profit after tax of 2021	38.497	76.995	-	115.492
Ending balance of the previous year	65.365	317.654	3	383.022
Beginning balance of the current year	65.365	317.654	3	383.022
Appropriation to statutory reserves in the previous year from profit after tax of 2022	27.226	54.452	-	81.678
Ending balance of the current year	92.591	372.106	3	464.700

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE SEPARATE INCOME STATEMENT**1. Interest and similar income**

	Current year	Previous year
Interest income from deposits	305.470	196.275
Interest income from loans	7.142.696	4.893.529
Interest income from investments in debt securities	241.413	271.729
Interest income from guarantee services	11.430	10.934
Other income from credit activities	78.420	3.784
Total	7.779.429	5.376.251

2. Interest and similar expenses

	Current year	Previous year
Interest expense on deposits	4.997.206	2.697.839
Interest expense on borrowings	337.726	165.954
Interest expense on valuable papers issued	96.721	14.299
Other expenses on credit activities	339.754	421.484
Total	5.771.407	3.299.576

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Notes to the Separate Financial Statements (cont.)**3. Net gain/loss from service provisions**

	Current year	Previous year
<i>Gain from service provisions</i>	543.615	397.207
Settlement services	491.902	304.891
Cashier services	353	640
Trading and insurance services	36.343	64.554
Others	15.017	27.122
<i>Loss from service provisions</i>	49.877	32.946
Settlement and cashier services	32.310	17.089
Consulting services	3.448	5.550
Others	14.119	10.307
Net gain/loss from service provisions	493.738	364.261

4. Net gain/loss from trading of foreign currencies

	Current year	Previous year
<i>Gain from trading of foreign currencies</i>	300.909	487.987
Gain from spot currency contracts	169.085	381.855
Gain from derivative instruments	131.824	106.132
<i>Loss from trading of foreign currencies</i>	241.713	453.006
Loss from spot currency contracts	17.076	196.497
Loss from derivative instruments	224.637	256.509
Net gain/loss from trading of foreign currencies	59.196	34.981

5. Net gain/loss from trading of investment securities

	Current year	Previous year
Gain from trading of investment securities	125.698	29.234
Loss from trading of investment securities	(43.169)	(21.406)
Allowance made for diminution in value of investment securities	(79)	(10)
Net gain/loss from trading of investment securities	82.450	7.818

6. Other net gain/loss

	Current year	Previous year
<i>Other income</i>	95.513	88.476
Gain from disposals of foreclosed assets	-	2.429
Collections of bad debts previously written-off	91.328	83.647
Others	4.185	2.400
<i>Other expenses</i>	5.845	5.280
Expenses on social activities	4.090	2.091
Others	1.755	3.189
Other net gain/loss	89.668	83.196

7. Income from capital contribution, share acquisition

	Current year	Previous year
Profit after tax remitted by the subsidiary	-	323
Total	-	323

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Notes to the Separate Financial Statements (cont.)**8. Operating expenses**

	<u>Current year</u>	<u>Previous year</u>
Taxes, duties and fees	25.584	20.175
Expenses for employees	989.324	918.920
<i>In which:</i>		
Salaries and allowances	851.226	808.206
Salary related contributions	66.237	55.822
Others	71.861	54.892
Expenses on assets	193.536	182.318
<i>In which:</i>		
Depreciation and amortization expenses	72.132	66.796
Rental expenses	73.423	67.230
Repair and maintenance expenses	33.767	36.966
Purchases of tools and supplies	13.576	10.927
Others	638	399
Administration expenses	314.222	233.041
<i>In which:</i>		
Marketing, promotion and stationery expenses	98.493	52.886
Business trip expenses	14.776	9.650
Electricity and water, office cleaning and gasoline expenses	38.616	39.009
Communication, technology research expenses	58.780	50.829
Training expenses	1.336	516
Meeting, reception and customer care expenses	84.047	65.326
Others	18.174	14.825
Insurance fee for deposits from customers	80.934	56.678
Total	1.603.600	1.411.132

9. Allowance for credit losses

	<u>Current year</u>	<u>Previous year</u>
General allowance for loans to customers	41.150	62.756
Specific allowance for loans to customers	376.770	409.637
Total	417.920	472.393

10. Basic earnings per share

Information on basic earnings per share is presented in the Consolidated Financial Statements.

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE SEPARATE CASH FLOW STATEMENT**Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand and cash equivalents	660.595	742.817
Balances with the SBV	6.134.683	1.347.927
Deposits at and loans to other credit institutions with original terms of not more than 3 months	18.373.502	23.777.634
Total	25.168.780	25.868.378

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Notes to the Separate Financial Statements (cont.)**VIII. OTHER DISCLOSURES****1. Employees' income**

	Current year	Previous year
Average number of employees (person)	3.493	3.311
Employees' income		
Total salary budget	739.739	723.374
Bonus	152.580	84.832
Total income	892.319	808.206
<i>Average monthly salary/employee</i>	<i>18</i>	<i>18</i>
<i>Average monthly income/employee</i>	<i>21</i>	<i>20</i>

2. Obligations to the State Budget

	Beginning balance	Increase during the year		Ending balance
	Payables	Amount payable	Amount paid	Payables
Value added tax (VAT)	14.015	53.411	(61.273)	6.153
Corporate income tax	31.615	143.478	(134.064)	41.029
Other taxes	4.497	52.548	(46.271)	10.774
Total	50.127	249.437	(241.608)	57.956

Value added tax (VAT)

The Bank has to pay VAT in accordance with the deduction method.

The tax rate applied to banking and payment activities is 10%.

Corporate income tax

The Bank has to pay corporate income tax on taxable income at the rate of 20%.

Estimated corporate income tax payable is as follows:

	Current year	Previous year
Total accounting profit before tax	711.554	683.729
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax (eliminated expenses):	5.838	3.303
Total income subject to tax	717.392	687.032
Income exempted from tax	-	(323)
Taxable income	717.392	686.709
Corporate income tax rate	20%	20%
Corporate income tax payable	143.478	137.342

Determination of corporate income tax liability of the Bank is based on currently applicable regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Separate Financial Statements can be changed upon the inspection of tax authorities.

Other taxes and legal fees

The Bank has paid these taxes and legal fees in line with the prevailing regulations.

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Notes to the Separate Financial Statements (cont.)**3. Forms and values of collaterals of customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Real estates	42.280.536	59.353.993
Machinery and equipment	69.264	136.483
Motor vehicles	757.900	1.112.611
Shares issued by other credit institutions	-	240.663
Shares issued by other economic institutions	11.458.650	8.911.065
Saving deposits	7.863.485	11.729.433
Others	41.614.804	14.815.501
Total	104.044.639	96.299.749

4. Contingent liabilities and commitments

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Letters of credit commitments</i>	416	6.938
Contractual amount	486	7.709
Minus: Marginal deposits	(70)	(771)
<i>Other guarantees</i>	362.814	257.326
Contractual amount	365.930	281.212
Minus: Marginal deposits	(3.116)	(23.886)

5. Unearned interest income from loans and fees receivable

This item reflects unearned interest income from loans.

6. Treated doubtful debts

	<u>Ending balance</u>	<u>Beginning balance</u>
Principals of debts of which risks are treated and being monitored	740.506	419.018
Interests of debts of which risks are treated and being monitored	1.277.852	1.125.268
Total	2.018.358	1.544.286

7. Other assets and documents

	<u>Ending balance</u>	<u>Beginning balance</u>
Other assets kept for others	9.629.413	15.497.812
Other valuable documents under preserve	927.413	923.289
Total	10.556.826	16.421.101

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Notes to the Separate Financial Statements (cont.)**8. Transactions with related parties**

The Bank's related parties include subsidiary, individuals having the direct or indirect right to vote at the Bank and their close family members, the entities managed by the Bank's key managers, the individuals having the direct or indirect right to vote at the Bank and their close family members.

Income of the key managers

Net income of the key managers (Board of Directors, Supervisory Board, Board of Management) in the current year is VND 46.623 million (previous year: VND 35.644 million).

Transactions between the Bank and related parties are as follows:

	<u>Current year</u>	<u>Previous year</u>
<i>Subsidiary</i>		
Interest expenses on deposits	30.084	14.846
Office rental expenses	13.620	11.843
Expense for asset appraisal	6.349	6.337
Payment transferred to subsidiary to make reserves	-	1.459
Profit after tax transferred from subsidiary	-	323
<i>Members of Board of Directors</i>		
Interest expenses on deposits	261	173
Remuneration	21.101	15.615
<i>Members of Board of Management</i>		
Interest expenses on deposits	12	49
Salaries and bonus	18.992	14.321
<i>Members of Supervisory Board</i>		
Interest expenses on deposits	2	4
Remuneration	6.530	5.708
<i>Companies and individuals related to Members of Board of Directors</i>		
Interest expenses on deposits	485	1.270
<i>Companies and individuals related to Members of Board of Management</i>		
Interest expenses on deposits	809	9.997
<i>Companies and individuals related to Members of Supervisory Board</i>		
Interest expenses on deposits	82	84

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Notes to the Separate Financial Statements (cont.)

As of the balance sheet date, balances with related parties are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Subsidiary</i>		
Deposits received from leasing office	1.980	1.980
<i>Members of Board of Directors</i>		
Loan given	-	27
<i>Members of Board of Management</i>		
Loan given	139	298
<i>Companies and individuals related to Members of Board of Directors</i>		
Loan given	132	53.373
<i>Companies and individuals related to Members of Board of Management</i>		
Loan given	4.187	815
<i>Companies and individuals related to Members of Supervisory Board</i>		
Loan given	-	225
Total receivables	6.438	56.718
<i>Subsidiary</i>		
Deposits from the subsidiary	318.123	325.692
Interest payables	20.764	5.092
<i>Members of Board of Directors</i>		
Deposits	1.212	1.848
Interest payables	10	6
<i>Members of Board of Management</i>		
Deposits	1.798	4.738
Interest payables	3	5
<i>Members of Supervisory Board</i>		
Deposits	705	243
<i>Companies and individuals related to Members of Board of Directors</i>		
Deposits	111.995	47.876
Interest payables	178	54
<i>Companies and individuals related to Members of Board of Management</i>		
Deposits	24.907	164.291
Interest payables	118	274
<i>Companies and individuals related to Members of Supervisory Board</i>		
Deposits	1.300	1.408
Interest payables	23	19
Total payables	481.136	551.546

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Notes to the Separate Financial Statements (cont.)**9. Concentration of assets, liabilities and off-statement of financial position items by geographical area**

	Total deposits and loans given	Total deposits and borrowings	Issuance of valuable papers	Credit commitments	Trading securities	Investment securities
Ending balance	76.291.237	75.334.775	3.459.091	366.416	-	3.384.995
Domestic	76.291.237	75.334.775	3.459.091	366.416	-	3.384.995
Overseas	-	-	-	-	-	-
Beginning balance	69.828.156	78.620.286	-	288.921	144.176	7.590.841
Domestic	69.828.156	78.620.286	-	288.921	144.176	7.590.841
Overseas	-	-	-	-	-	-

IX. FINANCIAL RISK MANAGEMENT**1. General overview**

The Bank's operations are exposed to the following financial risks: credit risks, liquidity risks and market risks. The Board of Management is generally responsible to give guidance, supervise and judge the risks as well as maintain an effective risk control and compliance culture. The Board of Management of the Bank is responsible to develop objectives and basic principles in financial risk control for the Bank, including design of the detailed policies on risk identification and measurement, risk limitation and regulations on risk prevention. Risk control is implemented by all the units and departments in line with the policies and procedures approved by the Board of Management.

The Risk Management Department of the Bank supports the daily risk control at the Bank under the direction of the Bank's Board of Management. Together with other departments, the Risk Management Department is responsible to develop risk control system as well as the tools and methods to identify, measure, monitor, control and assess risks.

Additionally, the Internal Control Department of the Bank is responsible to perform the independent review on the internal risk control and control environment of the Bank.

2. Credit risk

Credit risk is the risk of financial loss to the Bank if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk of the Bank mainly arises from its loans given and advances.

Policies on credit risk management and minimization

In order to manage credit risk, the Bank has applied the following tools: development of policies and issuance of regulations on credit risk control; development of credit procedures; credit rate; regulations on credit line; review on credit risks; development of credit rank system and debt classification; authority decentralization in credit activities.

The Bank has managed credit risk by setting up risk limitation related to customers or group of customers acquiring loans in accordance with the regulations of the SBV. Additionally, credit risks are also managed by analysis on ability of customers and potential customers on making payments to both interest and principal.

Risk concentration level of financial assets with credit risk

The non-derivative financial assets classified according to the geographical area are presented in Note No. X.

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Notes to the Separate Financial Statements (cont.)***The maximum level of credit risks without consideration to collaterals or methods for credit minimization***

The maximum credit risk of each financial asset is its carrying value as reflected on the Separate Statement of Financial Position as well as on off-statement of financial position items of the financial instruments without consideration to collaterals or other methods for credit risk minimization.

The Bank's maximum exposures to credit risk are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Credit risk exposures relating to Separate statement of financial position items</i>		
Deposits at the SBV	6.134.683	1.347.927
Deposits at and loans to other credit institutions	18.373.502	23.777.634
Trading securities – gross	-	144.176
Loans to customers – gross	51.783.052	44.702.595
Investment securities – gross	3.384.995	7.590.841
Interest and fees receivable	1.437.931	1.097.493
Other financial assets – gross	3.931.334	4.997.741
Total	85.045.497	83.658.407
<i>Credit risk exposures relating to off-statement of financial position items</i>		
Letters of credit commitments – gross	486	7.709
Other guarantees – gross	365.930	281.212
Total	366.416	288.921

3. Liquidity risk

Liquidity risk is the risk that the Bank has difficulties in fulfilling its obligations for financial liabilities.

The strategies applied by the Bank in liquidity risk management are that the Board of Management sets up the minimum limit on due capital which is used to meet these withdrawals and the minimum level of inter-bank loans as well as loans to meet the withdrawals beyond the expectations.

Operating in an industry where operation of the Bank is very sensitive to the changes of the market and false reports, the Bank has been applying the measures to control the liquidity risk as follows:

- Maintaining the liquidity ratios that ensure the liquidity of deposit insurance in accordance with the regulations of the SBV;
- Managing its capital sources centrally in order to ensure the liquidity of the whole system by researching, analyzing term differences, making estimates on time and values of major disbursements which may have effects on the inflows and outflows. From that, the Bank has set out limits and developed appropriate investment portfolios which have high liquidity and can be converted in cash to meet the regular or irregular demands for cash withdrawals of customers;
- Actively following up, analyzing, assessing and being responsible to disclose information in order to help customers understand clearly all the operations of the Bank.

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Notes to the Separate Financial Statements (cont.)

Summary of the Bank's assets and liabilities by maturity group from balance sheet date, i.e. 31 December 2023, to the maturity date:

	Overdue		Undue					Total
	More than 3 months	Up to 3 months	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	
Assets								
Cash on hand, gold, gemstones	-	-	660.595	-	-	-	-	660.595
Deposits at the SBV	-	-	6.134.683	-	-	-	-	6.134.683
Deposits at and loans to other credit institutions (*)	-	-	15.525.552	-	2.847.950	-	-	18.373.502
Loans to customers (*)	1.001.571	623.705	4.041.883	5.617.345	22.681.141	14.634.360	3.183.047	51.783.052
Investment securities (*)	-	-	-	-	-	796.897	2.588.098	3.384.995
Capital contribution, long-term investments (*)	-	-	-	-	-	-	500.000	500.000
Fixed assets and investment property	-	-	604.999	10	5.366	66.521	674.186	1.351.082
Other assets (*)	52.977	-	1.437.931	4.262.509	-	-	-	5.753.417
Total assets	1.054.548	623.705	28.405.643	9.879.864	25.534.457	15.497.778	6.945.331	87.941.326
Liabilities								
Deposits and borrowings from the SBV and other credit institutions	-	-	15.268.267	-	2.842.357	7.601	705	18.118.930
Deposits from customers	-	-	18.051.183	13.548.570	24.635.609	979.467	1.016	57.215.845
Financial derivatives and other financial liabilities	-	-	25.404	-	-	-	-	25.404
Issuances of valuable papers	-	-	-	199.200	31.600	1.928.100	1.300.191	3.459.091
Other liabilities	-	-	2.733.321	-	-	-	-	2.733.321
Total liabilities	-	-	36.078.175	13.747.770	27.509.566	2.915.168	1.301.912	81.552.591
Net liquidity gap	1.054.548	623.705	(7.672.532)	(3.867.906)	(1.975.109)	12.582.610	5.643.419	6.388.735

(*) These items do not include allowance for risks.

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Notes to the Separate Financial Statements (cont.)

Summary of the Bank's assets and liabilities by maturity group from balance sheet date, i.e. 31 December 2022, to the maturity date:

	Overdue		Undue				Total
	More than 3 months	Up to 3 months	Up to 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	
Assets							
Cash on hand, gold, gemstones	-	-	742.817	-	-	-	742.817
Deposits at the SBV	-	-	1.347.927	-	-	-	1.347.927
Deposits at and loans to other credit institutions (*)	-	-	19.779.134	-	3.998.500	-	23.777.634
Trading securities (*)	-	-	-	-	144.176	-	144.176
Financial derivatives and other financial assets (*)	-	-	38.707	-	-	-	38.707
Loans to customers (*)	845.015	355.793	3.226.331	4.368.835	21.185.103	9.134.707	44.702.595
Investment securities (*)	-	-	-	-	397.800	795.602	7.590.841
Capital contribution, long-term investments (*)	-	-	-	-	-	500.000	500.000
Fixed assets and investment property	-	-	606.011	259	2.437	82.939	1.377.333
Other assets (*)	54.483	-	1.097.493	5.307.319	-	-	6.459.295
Total assets	899.498	355.793	26.838.420	9.676.413	25.728.016	10.013.248	86.681.325
Liabilities							
Deposits and borrowings from the SBV and other credit institutions	-	-	20.928.133	1.156.625	4.005.613	7.601	26.098.723
Deposits from customers	-	-	7.892.580	7.714.529	34.518.852	2.394.231	52.521.563
Other liabilities	-	-	2.283.833	-	-	-	2.283.833
Total liabilities	-	-	31.104.546	8.871.154	38.524.465	2.401.832	80.904.119
Net liquidity gap	899.498	355.793	(4.266.126)	805.259	(12.796.449)	7.611.416	5.777.206

(*) These items do not include allowance for risks.

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4. Market risk

The Bank is exposed to market risk which arises from the fluctuations in future cash flows of financial instruments due to the changes in the market. The market risk arises from the open status of interest rate and currency, which are under the effects of changes in market in general and each type of market in particular as well as affected by the fluctuations on the market, such as interest rate, credit, exchange rate.

The market risks related to operation of the Bank include currency risk and interest rate risk.

Interest rate risk

Interest rate risk occurs when the future cash flows of a financial instrument unexpectedly fluctuates due to the changes in market interest rates. The Bank manages this risk by controlling the differences in monthly interest rates.

The Bank measures risk by analyzing the sensitivity of the interest rate, i.e. classification of bonds and other documents into group of market risk level, based on currency type, due date, etc.

In order to manage the interest rate risk, the Bank has been applying the policies on interest rate risk management on the basis of ALCO reporting system to analyze the difference between debt-equity assets in each term, calculate the Duration Gap of the debt-equity assets, the interest rates of the items of capital and assets, and has given out appropriate solutions for treatments accordingly:

- Giving loans at the floating interest rates, which enables the Bank to apply flexible interest rates to loans given suitably with the fluctuation of the market rates of interests;
- Maintaining a reasonable difference between deposit interest rates and loan interest rates, complying with the regulations on capital safety of the SBV.

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Notes to the Separate Financial Statements (cont.)

Summary of the Bank's interest rate risk as at 31 December 2023:

	Overdue	Interest free	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Total
Assets									
Cash on hand, gold, gemstones	-	660.595	-	-	-	-	-	-	660.595
Deposits at the SBV	-	-	6.134.683	-	-	-	-	-	6.134.683
Deposits at and loans to other credit institutions (*)	-	-	15.525.552	-	-	2.847.950	-	-	18.373.502
Loans to customers (*)	1.625.276	-	4.041.883	5.617.345	5.973.525	16.707.617	14.634.360	3.183.046	51.783.052
Investment securities (*)	-	-	-	-	-	-	796.897	2.588.098	3.384.995
Capital contribution, long-term investments (*)	-	500.000	-	-	-	-	-	-	500.000
Fixed assets and investment property	-	1.351.082	-	-	-	-	-	-	1.351.082
Other assets (*)	52.977	5.700.440	-	-	-	-	-	-	5.753.417
Total assets	1.678.253	8.212.117	25.702.118	5.617.345	5.973.525	19.555.567	15.431.257	5.771.144	87.941.326
Liabilities									
Deposits and borrowings from the SBV and other credit institutions	-	-	15.268.267	-	-	2.842.357	7.601	705	18.118.930
Deposits from customers	-	-	18.051.183	13.548.570	17.643.425	6.992.183	979.467	1.017	57.215.845
Financial derivatives and other financial liabilities	-	-	25.404	-	-	-	-	-	25.404
Issuance of valuable papers	-	-	-	199.200	31.600	-	1.928.100	1.300.191	3.459.091
Other liabilities	-	2.733.321	-	-	-	-	-	-	2.733.321
Total liabilities	-	2.733.321	33.344.854	13.747.770	17.675.025	9.834.540	2.915.168	1.301.913	81.552.591
Interest sensitivity gap of statement of financial position items	1.678.253	5.478.796	(7.642.736)	(8.130.425)	(11.701.500)	9.721.027	12.516.089	4.469.231	6.388.735

(*) These items do not include allowance for risks.

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Notes to the Separate Financial Statements (cont.)

Summary of the Bank's interest rate risk as at 31 December 2022:

	Overdue	Interest free	Less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years	Total
Assets									
Cash on hand, gold, gemstones	-	-	742.817	-	-	-	-	-	742.817
Deposits at the SBV	-	-	1.347.927	-	-	-	-	-	1.347.927
Deposits at and loans to other credit institutions (*)	-	-	19.779.134	-	1.000.000	2.998.500	-	-	23.777.634
Trading securities (*)	-	-	-	-	-	144.176	-	-	144.176
Financial derivatives and other financial assets (*)	-	-	38.707	-	-	-	-	-	38.707
Loans to customers (*)	1.200.808	-	3.226.331	4.368.835	4.818.056	16.367.047	9.134.707	5.586.811	44.702.595
Investment securities (*)	-	-	-	-	-	397.800	795.602	6.397.439	7.590.841
Capital contribution, long-term investments (*)	-	500.000	-	-	-	-	-	-	500.000
Fixed assets and investment property	-	1.377.333	-	-	-	-	-	-	1.377.333
Other assets (*)	54.483	6.404.812	-	-	-	-	-	-	6.459.295
Total assets	1.255.291	8.282.145	25.134.916	4.368.835	5.818.056	19.907.523	9.930.309	11.984.250	86.681.325
Liabilities									
Deposits and borrowings from the SBV and other credit institutions	-	-	20.928.133	1.156.625	1.005.613	3.000.000	7.601	751	26.098.723
Deposits from customers	-	-	7.892.580	7.714.529	20.139.778	14.379.074	2.394.231	1.371	52.521.563
Other liabilities	-	2.283.833	-	-	-	-	-	-	2.283.833
Total liabilities	-	2.283.833	28.820.713	8.871.154	21.145.391	17.379.074	2.401.832	2.122	80.904.119
Interest sensitivity gap of statement of financial position items	1.255.291	5.998.312	(3.685.797)	(4.502.319)	(15.327.335)	2.528.449	7.528.477	11.982.128	5.777.206

(*) These items do not include allowance for risks.

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Notes to the Separate Financial Statements (cont.)***Currency risks***

Currency risk is a form of risk arising from changes in currency exchange rates. The Bank was established and operates in Vietnam and the accounting currency is VND, major transactions of the Bank are also in VND. The financial assets and liabilities of the Bank are mainly denominated in VND, a part in USD, EUR and others.

The Bank's strategy in managing currency risk is to develop a system of limits to manage the state of currencies. The state of currency is managed on a daily basis and a risk prevention strategy is used to ensure that the state of currencies remains in the set limits. Additionally, the Bank also has used other tools, such as optimizing the payment period of loans, forecasting the exchange rate, maintaining an appropriate structure of loans and debts in foreign currency and VND.

In order to minimize the currency risk, the Bank has developed and applied its policies on foreign currency management as follows:

- Complying fully with the regulations of the SBV;
- Establishing and managing foreign currency in open position;
- Controlling risks by separating functions of each department and section, giving regulations on decentralization, transaction limits and stopped loss limit;
- Diversifying the derivatives products.

All transactions in and out of the statement of financial position items are included into the foreign currency status right upon its generation.

The following statement summarizes the exchange rate risk of the Bank as at 31 December 2023. This statement presents the assets and liabilities of the Bank according to the carrying values and currency types.

	Converted from USD	Converted from EUR	Converted from others	Total
Assets				
Cash on hand, gold, gemstones	21.036	2.092	174	23.302
Deposits at the SBV	492.246	-	-	492.246
Deposits at and loans to other credit institutions (*)	3.780.803	3.353	7.369	3.791.525
Loans to customers (*)	187.844	-	-	187.844
Total assets	4.481.929	5.445	7.543	4.494.917
Liabilities and owner's equity				
Deposits and borrowings from other credit institutions	4.034.505	-	-	4.034.505
Financial derivatives and other financial liabilities	(1.769.140)	-	-	(1.769.140)
Deposits from customers	58.959	1.067	41	60.067
Total liabilities and owner's equity	2.324.324	1.067	41	2.325.432
FX position on-statement of financial position	2.157.605	4.378	7.502	2.169.485
FX position off- statement of financial position	-	-	-	-
Total FX position on and off-statement of financial position	2.157.605	4.378	7.502	2.169.485

(*) These items do not include allowance for risks.

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Notes to the Separate Financial Statements (cont.)

The following statement summarizes the exchange rate risk of the Bank as at 31 December 2022. This statement presents the assets and liabilities of the Bank according to the carrying values and currency types.

	Converted from USD	Converted from EUR	Converted from others	Total
Assets				
Cash on hand, gold, gemstones	35.279	3.640	2.730	41.649
Deposits at the SBV	6.499	-	-	6.499
Deposits at and loans to other credit institutions (*)	1.096.267	4.733	8.408	1.109.408
Financial derivatives and other financial assets (*)	(3.042.069)	-	-	(3.042.069)
Loans to customers (*)	138.838	-	-	138.838
Total assets	(1.765.186)	8.373	11.138	(1.745.675)
Liabilities and owner's equity				
Deposits and borrowings from other credit institutions	941.951	-	-	941.951
Deposits from customers	106.512	1.642	95	108.249
Total liabilities and owner's equity	1.048.463	1.642	95	1.050.200
FX position on-statement of financial position	(2.813.649)	6.731	11.043	(2.795.875)
FX position off-statement of financial position	-	-	-	-
Total FX position on and off-statement of financial position	(2.813.649)	6.731	11.043	(2.795.875)

(*) These items do not include allowance for risks.

5. Collaterals***Collaterals to others***

As of the balance sheet date, the Bank has mortgaged valuable papers at the SBV amounting to VND 75.000 million (beginning balance: VND 3.616.000 million) (see Note No. V.8).

Collaterals received from others

The details of collaterals received from others are presented in Note No. VIII.3. The Bank has not determined fully the fair values of these collaterals since there have been no specific guidance and the necessary market information.

6. Financial assets and financial liabilities***Financial assets***

	Ending balance		Beginning balance	
	Original costs	Provisions	Original costs	Provisions
Cash on hand, gold, gemstones	660.595	-	742.817	-
Deposits at the SBV	6.134.683	-	1.347.927	-
Deposits at and loans to other credit institutions	18.373.502	-	23.777.634	-
Trading securities	-	-	144.176	-
Financial derivatives and other financial assets	-	-	38.707	-
Loans to customers	51.783.052	(623.233)	44.702.595	(579.859)
Investment securities	3.384.995	(6.045)	7.590.841	(5.966)
Interest and fees receivable	1.437.931	-	1.097.493	-
Other assets	4.315.486	(29.304)	5.361.802	(29.304)
Total	86.090.244	(658.582)	84.803.992	(615.129)

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Notes to the Separate Financial Statements (cont.)***Financial liabilities***

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits and borrowings from other credit institutions	18.118.930	26.098.723
Deposits from customers	57.215.845	52.521.563
Issuance of valuable papers	3.459.091	-
Financial derivatives and other financial liabilities	25.404	-
Interest and fees payable	1.628.329	1.092.550
Other liabilities	1.016.343	1.093.648
Total	<u>81.463.942</u>	<u>80.806.484</u>

Fair value

The fair values of the financial assets and financial liabilities have not been determined since the Vietnamese Accounting Standard and System applied to credit institutions and the regulations of the SBV have not given any specific guidance on the determination of fair values.

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Notes to the Separate Financial Statements (cont.)**X. SEGMENT REPORTING****1. Primary segment reporting**

The Bank reports segment information by geographical segment as follows:

	The Northern		The Central		The Southern		Adjustment		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
I. Income	1.622.984	1.035.565	1.226.176	834.608	6.890.543	6.049.557	(894.539)	(1.540.252)	8.845.164	6.379.478
1. Interest income	1.253.602	892.232	1.183.902	783.311	6.236.464	5.240.960	(894.539)	(1.540.252)	7.779.429	5.376.251
2. Income from service provisions	363.840	128.318	23.276	45.113	156.499	223.776	-	-	543.615	397.207
3. Other income	5.542	15.015	18.998	6.184	497.580	584.821	-	-	522.120	606.020
II. Expenses	1.063.162	639.227	1.133.437	733.091	6.413.630	5.391.290	(894.539)	(1.540.252)	7.715.690	5.223.356
1. Interest expenses	948.702	537.365	937.131	548.787	4.780.113	3.753.676	(894.539)	(1.540.252)	5.771.407	3.299.576
2. Expenses for depreciation/ (amortization) of fixed assets	764	903	7.638	7.969	63.730	57.924	-	-	72.132	66.796
3. Expenses directly relating to business activities	113.696	100.959	188.668	176.335	1.569.787	1.579.690	-	-	1.872.151	1.856.984
Operating profit before allowance expenses for credit losses	559.822	396.338	92.739	101.517	476.913	658.267	-	-	1.129.474	1.156.122
Allowance expenses for credit losses	37.592	112.906	141.259	63.073	239.069	296.414	-	-	417.920	472.393
Segment profit/(loss)	522.230	283.432	(48.520)	38.444	237.844	361.853	-	-	711.554	683.729



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Notes to the Separate Financial Statements (cont.)

The Bank reports assets and liabilities by geographical segment as follows:

	The Northern		The Central		The Southern		Adjustment		Total	
	Ending balance	Beginning balance	Ending balance	Beginning balance	Ending balance	Beginning balance	Ending balance	Beginning balance	Ending balance	Beginning balance
I. Assets	19.216.008	6.576.196	5.050.489	9.318.453	63.016.247	70.171.547	-	-	87.282.744	86.066.196
1. Cash on hand	50.693	61.720	108.259	121.839	501.643	559.258	-	-	660.595	742.817
2. Fixed assets	2.804	2.972	237.513	243.230	1.110.765	1.131.131	-	-	1.351.082	1.377.333
3. Other assets	19.162.511	6.511.504	4.704.717	8.953.384	61.403.839	68.481.158	-	-	85.271.067	83.946.046
II. Liabilities	8.238.086	6.292.765	10.846.740	9.280.010	62.467.765	65.331.344	-	-	81.552.591	80.904.119
1. External liabilities	8.231.911	6.238.812	10.844.097	9.277.753	61.371.591	64.196.271	-	-	80.447.599	79.712.836
2. Other liabilities	6.175	53.953	2.643	2.257	1.096.174	1.135.073	-	-	1.104.992	1.191.283

2. Secondary segment reporting

The Bank mainly operates in one business segment which is banking.

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Notes to the Separate Financial Statements (cont.)**XI. LEASE COMMITMENTS**

The future minimum lease payments under non-cancellable operating leases are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Within one year	42.976	53.483
Within two to five years	119.547	111.630
More than five years	15.874	18.739
Total	178.397	183.852

XII. SUBSEQUENT EVENTS

There is no material subsequent event which is required adjustments or disclosures in the Separate Financial Statements.

Rach Gia, 29 March 2024

Preparer**Thi Duyen**
Accountant**Controller****Vu Dang Xuan Vinh**
Chief Accountant**Approver****Tran Ngoc Minh**
General Director