

No: 209 /NHIKL

Regarding explanation of profit fluctuations  
after tax consolidated Q4 2024  
and the whole year 2024

Rach Gia, date 23 month 01 year 2025

Dear :

- State Securities Commission;
- Hanoi Stock Exchange.

Kienlong Commercial Joint Stock Bank, stock symbol KLB, would like to explain the fluctuations in consolidated profit after tax of KienlongBank in the fourth quarter of 2024 and the whole year of 2024 as follows:

**1. KienlongBank's consolidated profit after tax in the fourth quarter of 2024 increased by over 10% compared to the same period in 2023:**

KienlongBank's consolidated profit after tax in the fourth quarter of 2024 increased by VND 217,329 million, equivalent to an increase of 342.81% compared to the fourth quarter of 2023, mainly due to the following main reasons:

- Total revenue increased by VND 328,882 million, equivalent to an increase of 43.30%, mainly due to net interest income and other income from debt settlement and collection.
- Total expenses increased by VND 56,793 million, equivalent to an increase of 8.35% mainly due to increased credit risk provisioning costs, contributing to increasing the credit risk buffer.

**2. KienlongBank's consolidated profit after tax in 2024 increased by over 10% compared to 2023:**

KienlongBank's consolidated profit after tax in 2024 increased by VND 313,510 million, equivalent to an increase of 54.62% compared to 2023, mainly due to the following reasons:

- Total revenue increased by VND 1,174,177 million, equivalent to an increase of 42.20%, mainly due to KienlongBank effectively using mobilized capital from the beginning of the year and effectively implementing debt handling and collection.
- Total cost increased by 780,766 million VND, equivalent to an increase of 37.83%. Of which:
  - + Operating expenses increased by VND 375,738 million, equivalent to an increase of 22.83%, mainly due to an increase in employee expenses of VND 299,959 million, equivalent to an increase of 29.31% (due to KienlongBank strengthening its compensation policies and increasing employee income). In addition, partly due to KienlongBank focusing on promoting investment in physical facilities, IT infrastructure, and digitalization projects.
  - + Credit risk provisioning expenses increased by VND 405,028 million, equivalent to an increase of 96.92%, mainly due to KienlongBank increasing provisioning to improve asset quality, accumulate risk handling resources as well as create a solid reserve buffer, increase bad debt coverage ratio, to cope with unpredictable fluctuations in the future, ensuring safe and sustainable operations.

Best regards./.

**Recipient:**

- As above;
- Board of Directors, Supervisory Board (for reporting);
- Board of Management (for direction);
- Save: CR.



Acting Chief Executive Officer

Tran Hong Minh