No.: 1899 /MB-HS

SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

Hanoi, April 4th , 2022

REPORT OF THE BOARD OF MANAGEMENT ON 2021 BUSINESS PERFORMANCEAND 2022 BUSINESS PLAN

To: - All shareholders;

I. BUSINESS PERFORMANCE IN 2021 & STRATEGY FOR 2017-2021 PERIOD

In 2021, Vietnam economy is heavily affected by the Covid pandemic. Thanks to the policy of vaccine coverage, the epidemic has been gradually controlled, the economy recovered positively from the fourth quarter. GDP increased by 2.58%, CPI ~ 1.84%, the lowest level from 2016. Total import-export turnover reached ~ USD 668.5 billion, up by 22.6%, which is the top 20 economies in terms of international trade; trade surplus was ~ USD 3 billion; FDI reached over USD 29 billion, an increase of more than USD 0.5 billion compared to 2020. Total deposits increased by ~8.4%; total payment increased by 10.7%; total credit increased by ~13.6%. The banking industry achieved quite positive results.

I.1 Results of the 5-year strategy from 2017 - 2021.

Unit: Billion dong

Indicators	2016	2021	CAGR (%)	Cumulative gain of 5 years
Profit before tax	3,651	16,527	35.3%	4.53 times
Charter capital	17,127	37,783	17.1%	2.21 times
Total assets	256,259	607,140	18.8%	2.37 times
Credits	153,884	405,923	21.4%	2.64 times
Deposits from customers	194,849	440,040	17.7%	2.26 times
Market capitalization (estimated)	22,836	109,193	36.7%	4.78 times

2021 marks the end of the 5-year implemenation of 2017 – 2021 strategy. MB has completed and outperformed 100% of the set strategic goals, such as digital transformation of group, strengthen corporate governance capacity and operational efficiency, and strengthen customer relationships, building two foundations on risk management and information technology. MB achieves the goal of “TOP 5 in terms of business efficiency and safety", surpassing the profit target to reach TOP 4. Number of customers reached ~12.9 millions, profit of the group reached VND 16,527 billion, 4.53 times higher than 2016, in which bank only’s profit increased ~4 times, subsidairies’ profits increased ~7.4 times. Effective indicators are among the TOP of the market. Specifically, NPL ratio is ~ 0.68%; CIR is ~29%, ROE is ~22%.

I.2. Business Results in 2021

Unit: Billion dong

Indicators	2020	2021	Comparing with 2020 (%)	Compared to the plan (%)
Total assets	494,982	607.140	22.7%	Exceeded 5.0%
Charter capital	27,988	37,783	35.0%	Reached 97.7%
Deposits from customers	355,751	440,040	23.7%	Exceeded 5.3%
Credits	325,713	405,923	24.6%	Exceeded 4.1%
NPL	1.9%	0.9%		Achieved the plan
Profit before tax	10,688	16,527	1.6 times	Exceeded 12.4%
Profit before tax bank only)	9,698	14,398	1.5 times	Exceeded 12%
Dividend payment ratio	15%	~35%		

In 2021, total revenue of the group reached ~ VND 36,935 billion, an increase of 35% compared to 2020 in which bank only increased ~33%, the subsidairies increased ~43%. MB ranked 4th in terms of PBT, moving up 1 level in the ranking list compared with 2020. Quality and efficiency indicators are in the market leading group (ROE ~23.49%, ROA ~2.4%). MB is in the TOP 300 (ranked at 247) of global Brand value as announced by Brand Finance 500 with a very high value growth rate of 113% to reach USD 642 million in 2021. MB is also among TOP 3 Vietnam Bank's brand as evaluated by MiBrand increasing by 6 levels compared to 2020.

The market share of subsidairies has grown strongly, such as MIC reached TOP 5, increasing by 1 level in terms of insurance revenue, Mcredit reached TOP 3, increasing 1 level of credit scale, MBAL (agent channel) reached TOP 9 (up 3 levels compared to 2020). The proportion of the subsidairies' profit contribution in the group is ~14%. Cross-selling among the group reached VND ~730 billion.

MB strongly focuses on investing in digital transformation of the group such as digitizing the process of insurance contract implementation, agent channel recruitment process and sales process. These transformations promoted strong growth at MBAL with premium revenue of over VND 5,700 billion (up to 69.4%); Mcredit increased outstanding consumer loans by ~ 63% (3.5 times higher than the market growth) thanks to the optimization of platforms and channels to communicate with customers.

MB has approved the group strategy 2022-2026 with 11 strategic initiatives closely following the motto **"Digital acceleration - Customer attraction - Corporation synergy - Sustainable safety"**. In this period, MB will optimize the Group's synergistic strength, increase the efficiency of subsidairies, centralize data management, unify customer identities, creat an ecosystem of MB Group.

Bank only Business Results

Profit before tax of the bank only reached VND 14,398 billion; 1.5 times of 2020. The average growth rate of PBT in the last 5 years reached 28%, of which key indicators such as credits increased by 23.4%, deposits increased by 23.1%.

In 2021, MB achieves breakthrough growth, attracting 6.3 million new customers on APPs; the bank serves 12.9 million customers with 391 million transactions on digital banking channel (92.3% of total transactions). Retail revenue increased by ~ 34%, CASA increased by 2.4 times. MB APPs is recognized by the customers as "the most liked in 2021" (Top Apps of 2021). MB is among TOP 2 of the most favorite banking brands and top digital transformation banking brand by Mibrand.

Non-interest income reached VND 7,563 billion, accounting for 28.3% of total revenue, up by 31% compared to 2020. Some services had strong growth such as revenue from international payments increased by 70%, revenue from cards increased by 52%. Other fee generating businesses also increased strongly such asbond service, beautiful account number, remittances.

The business in the interbank market also grew strongly by 30%, in which the Forex business grew by 57%, and was recognized as the best forex trading bank in Vietnam by Asian Banker. MB is also recognized as the bank providing the best financial derivatives in Vietnam in 2021.

MB is also sussessful in managing credit quality with the bank only's NPL ratio at ~0.68% and the NPL coverage ratio reaching ~349%. The capital adequacy ratio (CAR) reached ~11.02%, higher than the minimum requirement of 8% by the State Bank.

In 2021, MB also tightly managed operating costs by enhancing digitization application in operations, increasing productivity to achieve the cost to income ratio (CIR) of ~29%, decreasing by 5% compared to 2020.

Distribution channel optimization: putting in place 40 SMART Bank (self-service bank) helped to attract more than 19,000 new customers with ~1.4 million transactions and automatic issuance of ~114,000 cards.

I.3. Executive management.

Implementing the 5-year strategy for the period 2022 - 2026 with 12 foundation projects and 11 strategic initiatives.

Accelerateing the implementation of digital transformation projects. Developing 258 new features on the APPs, increasing productivity of Information technology to be able to serve 20 million customers, applying robots (RPA- Robotics Process Automation) in 45 operating processes.

Applying risk management standards according to Basel II, perfecting applied risk management models in business and management. Receiving the award for the best liquidity risk management bank in the Asia-Pacific ("Liquidity Risk Management Award") by The Asian Banker.

Application of automatic appraisal of retail loans. Improving the collateral evaluation and management system with application of CMV software to help RM speed up due diligence, reduce processing time and optimize cost for the customers.

Deploying 201 technology development projects, launching 2,785 new features and functions. The IT system operated stably and optimally. The simultaneous transaction processing capacity of APPs, Viettel Pay, and NAPAS increased 4-5 times higher than 2020 on average with successful transaction rate reaching over 99.11%, the best in the market.

The bank's only staff is ~9,600 people, labor productivity calculating by PBT / person achieved ~ VND 1.5 billion/person, increasing by 1.5 times comparing with 2020. Focus on investing in talent development programs and IT human resources. MB was honored as "Asia's Best Place to Work" by HR Asia magazie.

Maintaining internal solidarity, political stability, and MB distinction culture. In 2021, MB participated in and undertook 111 social charity programs with a total contribution of ~ VND 386 billion, contributing VND 285 billion to Vaccine fund against Covid, developing iNhandao platform to connect and share ~1,500 personal addresses with more than 3,000 supporters.

I.4. Some short comings.

The investment for some information technology infrastructure projects is still slow compared to strong business development in the coming years.

Breakthrough policies in attracting high-quality human resources in technology, digital banking and key strategic areas of the bank need to be put in place.

Operational risks need to be strengthened throughout the system.

Group synergy, cross-selling between subsidairies and the bank need to be improved.

* * *

PART II: STRATEGY ORIENTATION IN 2022 -2026 and PLAN IN 2022

The global economy is still exposed to a number of potential risks caused by the Covid-19 pandemic development, the inflation in major economies and international conflict. World economic growth in 2022 is forecasted to be around 4%, lower than the last forecast of 5.5% anounced at the end of 2021 by the United Nations.

The target of GDP growth at 6 - 6.5% and controlling inflation below 4% is a very challenging target. Against this context, the State Bank of Vietnam is forecasted to continue their flexible, loosing but with prodent monetary policy management to support businesses and ensure liquidity for the economy. The banking industry may face with bad debt pressure if the business situation of enterprises continue to suffer longer negative impacts in 2022.

II.1. Orientation and strategic goals for the period 2022 - 2026.

Vision **"Becoming a Digital Corporation, a Leading Financial Group".**

Motto "**Digital Acceleration - Customer Attraction - Group Synergy - Sustainable Safety**".

The goal of **"Top 3 in terms of efficiency in Vietnam, aiming at the top in Asia"** with key strategic targets as follow:

- Serving 20 million customers;

- The compound average growth rate (CAGR) of PBT is ~23%/year;

- Quality and efficiency indicators are among TOP 3 best performing banks in the market;

To achieve that demanding targets, MB will implement 11 strategic initiatives together with important bank-wide projects on financial management, smart risk management and smart operations. Accelerating digital factory deployment, strengthening IT capacity and digitalizing operations in the bank and subsidiaries are also strategic priorities of the bank in this period.

II.2. 2022 business plan

No.	Indicators	Plan 2022	Compared to 2021
1	Total assets	700,000	Increased by ~15%
2	Charter capital	46,882	Increased by ~24%
3	Deposits from customers	488,000	Balancing with loan growth
4	Credits	472,600	Increased by ~16% In line with SBV loan growth quota
5	NPL	< 1.5%	Trying to manage at the level of 2021
6	Profit before tax	20,300	Increased by ~23%
	Scenario 2 (*)	19,000	Increased by ~15%

(*) In the context of economic difficulities, GDP < 5%, CPI > 5%.

Key solutions:

Accelerating digital transformation, implementing digital factory projects, data initiatives, smart risk management.

Bringing the synergy among the group into full play; increasing the operational efficiency of subsidiaries; increasing the proportion of contribution from affiliates to the group profit by 2-3%; increasing cross-selling among the group members.

Attracting from 2.5 to 3 million new customers.

Strong growth in retail business, optimizing distribution channels. Improving the business models to optimally serve each customer segment (Priority, Private, Micro SME).

Applying smart and effective mobilization solutions, especially in digital channel. Optimizing funding cost with strong growth in CASA.

Improving the two main competitive platforms (APPs and BIZ), improving the experience of the customers by redesigning customer journey, diversifying products on digital channel.

Building excellent data organization through consolidating corporate data, putting in place an infrastructure to process large-scale data and intelligent analysis tools. Establishing a data division .

Investment in IT infrastructure with a capacity of serving 30 million customers.

Increasing the quality of human resources with focus on developing human resources who are smart, sharp with multi functional skills, building MB as an organization with many new solutions and outstanding labor productivity compared to the market.

Strictly control credit qualityto ensure the NPL of the group below 1.5%. Successfully restructuring customer debts which are affected by Covid 19.

Creating breakthrough in service quality, reducing transaction processing time, increasing experience and satisfaction of customers.

Ensuring effective cost management in line with business situations with a CIR target of ≤ 32% (challenging target is 29%).

* * *

On behalf of the Board of Management, I would like to express my deepest thanks to our shareholders, investors, customers and partners who have always trusted and accompanied with MB. We are committed to make great efforts to succcessfully complete 2022 business plan. MB is looking forwards to receiving the supports from the SBV, the Ministry of Defense, the relevant agencies, shareholders and customers for our business plan as well as development orientations and solutions in 2022.

I wish you all good health, happiness and success!

Recipients:

- Shareholders;
- Chairman;
- BOD/SB members;
- Archived: Planning Department; Administration Division

CHIEF EXECUTIVE OFFICER

(signed and seal)

Luu Trung Thai