CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc
THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom - Happiness

Số/*No*: 2030/MB-HS
V/v: công bố thông tin báo cáo tài chính riêng và hợp nhất quý I năm 2020
Re: disclosure of information of Separated & Consolidated Financial Statements for first quarter of 2020

Hà Nội, ngày 23 *tháng* 04 *năm 2020*
Ha Noi, 23 *April 2020*

Kính gửi/*To*:

- Ngân hàng Nhà nước Việt Nam
The State Bank of Vietnam
- Ủy ban Chứng khoán Nhà nước
The State Securities Commission;
- Sở giao dịch chứng khoán Thành phố Hồ Chí Minh
Hochiminh Stock Exchange;
- Sở giao dịch chứng khoán Thành phố Hà Nội;
Hanoi Stock Exchange;

Công ty/*Company*:	Ngân hàng TMCP Quân đội / *Military Commercial Joint Stock Bank*	
Mã chứng khoán/ *Securities symbol*	MBB	
Địa chỉ trụ sở chính/ *Head office address*	Số 21 Cát Linh, Đống Đa, Hà Nội *No 21 Cat Linh, Dong Da District, Ha Noi*	
Điện thoại/*Telephone*:	024.6266.1088	
Fax:	024.6266.1080	
Người thực hiện công bố thông tin/ *Submitted by*:	Ông/Mr. Lưu Trung Thái	
Chức vụ/*Position*:	Phó Chủ tịch HĐQT kiêm Tổng Giám đốc / *BOD Vice Chairman & Chief Excecutive officer*	
Loại thông tin công bố/ *Type of Information disclosure*	☑ định kỳ/*periodic* ☐ 24 giờ/ *hours*	☐ bất thường/*irregular* ☐ theo yêu cầu/*on demand*

Nội dung thông tin công bố: Báo cáo tài chính riêng và hợp nhất quý I năm 2020

Content of Information disclosure: Separated & Consolidated Financial Statements for 1st Quarter of 2020

Thông tin trên đã được công bố trên trang thông tin điện tử MB www.mbbank.com.vn - Mục Nhà đầu tư – Phần Thông báo.

The above information was disclosed on MB website at www.mbbank.com.vn – Investors Relation - Announcement.

Ngân hàng TMCP Quân đội xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố.

MB declares that all information provided above is true and accurate and we shall take full responsibility before the law for the disclosed information.

Trân trọng cảm ơn!

Best Regards!

Nơi nhận/ Recipients:

- Như trên/*As above*;
- HĐQT, BKS (b/c) / *BOD, SB (for reporting purpose)*;
- Lưu: VT, VP HĐQT/ *Archive at Admin Office, BOD Office*

TỔNG GIÁM ĐỐC

CHIEF EXECUTIVE OFFICER

NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN QUÂN ĐỘI

Lưu Trung Thái

Chief Excecutive Officer

Head office
NGÂN HÀNG TMCP QUÂN ĐỘI
Số 21 Cát Linh, Phường Cát Linh
Quận Đống Đa, Hà Nội

Contact us
Điện thoại: (024) 6277 7222
Fax: (024) 6266 1080
www.mbbank.com.vn

Military Commercial Joint Stock Bank
Address: No, 21 Cat Linh Street – Dong Da District – Hanoi

B02a/TCTD-HN

CONSOLIDATED BALANCE SHEET
Quarter I/2020 - 31 March 2020

	Note	***31/03/2020***	***31/12/2019***
		VND million	*VND million*
ASSETS			
Cash, gold and gemstones	**III,1**	**2,253,056**	**2,344,291**
Balances with the State Banks ("SBs")	**III,2**	**6,763,149**	**14,347,180**
Cash and gold deposits at and loans to other credit institutions ("CIs")	**III,3**	**47,792,908**	**39,691,364**
Securities held for trading	**III,4**	**1,246,147**	**1,167,809**
Securities held for trading		1,319,440	1,196,887
Allowance for securities held for trading		(73,293)	(29,078)
Financial derivatives and other financial assets	**III,16**	**128,201**	**14,836**
Loans to customers		**244,072,015**	**247,129,710**
Loans to customers	III,5	247,979,708	250,330,623
Allowance for loans losses to customers	III,6	(3,907,693)	(3,200,913)
Investment securities	**III,7**	**81,662,582**	**85,628,999**
Available-for-sale investment securities	III,7,1	79,263,879	82,723,727
Held-to-maturity investment securities	III,7,2	2,677,352	3,196,877
Allowance for diminution of investment securities		(278,649)	(291,605)
Capital contribution & long-term investment	**III,8**	**877,305**	**887,017**
Investment in associates	III,8,1	**-**	-
Other long-term investments	III,8,2	1,037,415	1,037,453
Allowances for diminution in the value of capital contribution & long-term investments		(160,111)	(150,436)
Fixed asset		**2,811,235**	**2,798,062**
Tangible fixed assets	*III,9*	*1,644,903*	*1,642,003*
Cost of tangible fixed assets		3,664,141	3,585,813
Accumulated depreciation of tangible fixed assets		(2,019,511)	(1,943,810)
Intangible fixed assets	*III,10*	*1,166,332*	*1,156,059*
Cost of intangible fixed assets		2,031,952	1,980,168
Accumulated amortization of intangible fixed assets		(865,620)	(824,109)
Investment property	**III,11**	**30,813**	**30,813**
Cost of investment properties		30,813	30,813
Depreciation of investment properties			-
Other assets		**19,165,271**	**17,447,494**
Accrued interest and fee receivables		3,583,537	3,771,771
Deferred Corporate Income Tax assets		3,858	3,699
Receivables	III,12	13,366,679	11,471,145
Other Assets	III,13	2,499,707	2,475,062
Of which, Goodwill		57,135	*57,135*
Allowance for other on balance sheet assets		(288,510)	(274,123)
TOTAL ASSETS		**406,802,682**	**411,487,575**

Military Commercial Joint Stock Bank B02a/TCTD-HN
Address: No, 21 Cat Linh Street – Dong Da District – Hanoi

CONSOLIDATED BALANCE SHEET (cont,)
Quarter I/2020 - 31 March 2020

	Note	*31/03/2020*	*31/12/2019*
		VND million	*VND million*
LIABILITIES			
Amounts due to the Government and State Banks		**50,755**	**16,836**
Deposits and borrowings from other CIs	**III,14**	**69,740,500**	**50,314,052**
Customer deposits	**III,15**	**240,737,125**	**272,709,512**
Derivative financial instruments and other financial liabilities	**III,16**	**-**	**-**
Loan granted from other borrowed and entrusted funds	**III,17**	**285,007**	**302,126**
Valuable papers issued	**III,18**	**31,373,629**	**26,288,629**
Other liabilities		**20,631,616**	**21,970,606**
Accrued interest and fee payables		4,760,407	4,598,544
Deferred income tax payables		17,651	12,097
Other liabilities	III,19	15,853,558	17,359,965
TOTAL LIABILITIES		**362,818,632**	**371,601,761**
SHAREHOLDERS' EQUITY			
Equity and reserves			
Capital	**III,20**	***25,108,540***	***22,718,445***
Charter capital		24,370,429	23,727,323
Premium capital		1,177,563	-
Treasury shares		(564,397)	(1,036,712)
Other equity		124,945	27,834
Reserves		***4,927,170***	***4,936,914***
Retained earnings		***11,973,445***	***10,342,490***
NON-CONTROLLING INTEREST		**1,974,895**	**1,887,965**
TOTAL SHAREHOLDERS' EQUITY		**43,984,050**	**39,885,814**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**406,802,682**	**411,487,575**

Military Commercial Joint Stock Bank B02a/TCTD-HN
Address: No, 21 Cat Linh Street – Dong Da District – Hanoi

CONSOLIDATED BALANCE SHEET (cont,)
Quarter I/2020 - 31 March 2020
CONSOLIDATED OFF-BALANCE SHEET ITEMS

		31/03/2020	***31/12/2019***
		VND million	*VND million*
I, Contingent liabilities	**V,I**		
1, Loan guarantee		79,294	81,864
2, LC commitments		26,117,055	21,340,471
3, Other guarantees		74,055,767	76,678,646
II, Foreign exchange commitments		**215,282,143**	**155,723,464**
2, Foreign currency purchase commitments		15,077,064	5,949,719
3, Foreign currency sale commitments		10,457,964	6,416,536
4, Swap commitments		94,936,696	71,691,021
5, Future commitments		94,810,419	71,666,188
III, Other commitments			
6, Irrevocable loan commitments			
7, Other commitments		45,479,156	42,304,723
		361,013,415	**296,129,168**

Prepared by: Reviewed by: Approved by:

(signed) *(signed)* *(signed)* *(signed and sealed)*

Ms, Le Thi Huyen Trang
Deputy Head of General Accounting and Reporting Department

Ms, Dang Thuy Dung
Chief Accountant

Ms, Nguyen Thi Thanh Nga
Acting Chief Financial Officer

Mr, Luu Trung Thai
Chief Executive Officer

Hanoi, Vietnam
23/04/ 2020

Military Commercial Joint Stock Bank
Address: No. 21 Cat Linh Street. Dong Da District, Hanoi

B03a/TCTD-HN

CONSOLIDATED STATEMENT OF INCOME

Quarter I/2020 - 31 March 2020

		Accruals on Quarter I		*Accumulative from the beginning of the year to the end of Quarter*	
		Current year	***Previous year***	***Current year***	***Previous year***
	Notes	*VND million*	*VND million*	*VND million*	*VND million*
Interest and similar income	IV,1	8,080,293	7,179,485	8,080,293	7,179,485
Interest and similar expenses	IV,2	(3,385,082)	(3,044,627)	(3,385,082)	(3,044,627)
Net interest income		**4,695,211**	**4,134,858**	**4,695,211**	**4,134,858**
Fee and commission income		1,616,446	1,231,918	1,616,446	1,131,918
Fee and commission expenses		(871,560)	(473,271)	(871,560)	(473,271)
Net fee and commission income	**IV,3**	**744,886**	**758,647**	**744,886**	**758,647**
Net gain/(loss) from trading of foreign currencies	**IV,4**	**159,443**	**120,368**	**159,443**	**120,368**
Net gain/(loss) from trading securities, investment securities and long-term capital contributions/investments	**IV,5**	**497,858**	**181,041**	**497,858**	**181,041**
Net other income	**IV,6**	**240,163**	**258,679**	**240,163**	**258,679**
Income from capital contribution and share purchase	**IV,7**	**1,221**	**728**	**1,221**	**728**
TOTAL OPERATING INCOME		**6,338,782**	**5,454,321**	**6,338,782**	**5,454,321**
TOTAL OPERATING EXPENSES	**IV,8**	**(2,050,500)**	**(2,065,685)**	**(2,050,500)**	**(2,065,685)**
Net operating profit before allowance and provision expenses		**4,288,282**	**3,388,636**	**4,288,282**	**3,388,636**
Allowance and provision expense	**IV,10**	**(2,092,625)**	**(964,495)**	**(2,092,625)**	**(964,495)**
TOTAL PROFIT BEFORE TAX		**2,195,657**	**2,424,141**	**2,195,657**	**2,424,141**
Current corporate income tax expense	IV,12	(407,402)	(469,089)	(407,402)	(469,089)
Deferred corporate income tax expense/(income)	IV,12	(5,395)	(22,464)	(5,395)	(22,464)
Current period corporate income tax expense		**(412,797)**	**(491,553)**	**(412,797)**	**(491,553)**
NET PROFIT AFTER TAX		**1,782,860**	**1,932,588**	**1,782,860**	**1,932,588**
Minority Interest		**70,609**	**71,959**	**70,609**	**71,959**
NET PROFIT AFTER TAX		**1,712,251**	**1,860,629**	**1,712,251**	**1,860,629**

Prepared by
(signed)
Ms, Le Thi Huyen Trang
Deputy Head of General Accounting and Reporting Department

(signed)
Ms, Dang Thuy Dung

Reviewed by:
(signed)
Ms, Nguyen Thi Thanh Nga

Approved by
(signed and sealed)
Mr, Luu Trung Thai

Military Commercial Joint Stock Bank

Address: No. 21 Cat Linh Street. Dong Da District, Hanoi

B03a/TCTD-HN

Hanoi, Vietnam	Chief Accountant	Acting Chief Financial Officer	Chief Executive Officer
23/04/2020			

Military Commercial Joint Stock Bank
Address: No. 21 Cat Linh Street. Dong Da District, Hanoi

STATEMENT OF CASH FLOWS (direct method)
Quarter I/2020 - 31 March 2020

	Notes	*Period from 01/01/2020 to 31/03/2020*	*Period from 01/01/2019 to 31/03/2019*
		VND million	*VND million*
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar incomes received		8,360,764	7,197,615
Interest and similar expenses paid		(3,287,290)	(2,439,126)
Net fee and commission income received		744,886	758,647
Net receipts/(payments) from trading activities (foreign currencies, securities)		629,077	203,701
Other incomes/(expenses)		54,080	20,156
Proceeds from loans previously settled/written off		186,082	238,523
Payment to employees and for other administrative activities		(2,206,208)	(2,475,063)
Corporate income tax paid during the period		490,871	(312,791)
Net cash flows from operating activities before changes in operating assets and liabilities		**4,972,262**	**3,191,662**
Changes in operating assets		***4,604,999***	***(25,352,540)***
(Increase)/decrease in balances with and loans to other CIs		1,800,672	950,245
(Increase)/decrease in trading securities, investment securities		3,856,820	(6,688,923)
Increase/(decrease) in derivatives and other financial instruments		(113,635)	(1,154)
(Increase)/decrease in loans and advances to customers		2,350,916	(14,482,353)
Decrease in allowance for impairment (credit, securities and investments)		(1,593,996)	(1,117,816)
(Increase)/decrease in other assets		(1,696,048)	(4,012,539)
Changes in operating liabilities		***(9,551,614)***	***19,716,200***
Increase/(decrease) in amounts due to the Government and State Banks		0	0
Increase/(decrease) in deposits and borrowings from other credit institutions		19,426,448	12,338,215
Increase/(decrease) in deposits from customers		(31,938,468)	2,813,412
Increase/(decrease) in bonds and valuable papers issued		5,085,000	3,857,615
Increase/(decrease) in other borrowed and entrusted funds		(17,119)	(31,019)
Increase/(decrease) in financial derivatives and other financial assets		0	(5,634)
Increase/(decrease) in other liabilities		(2,091,191)	771,588
Utilization of reserves		(16,284)	(27,977)
Net cash flows from operating activities		**25,647**	**(2,444,678)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for purchases of fixed assets		(288,920)	(70,018)
Receipts/(Payments) from disposals of fixed assets		19	141
Income/(expense) from investment properties		-	-
Proceeds/(payments) from long-term investment, capital contribution		-	89,900
Cash dividend received during the period		1,221	728
Net cash flows from investment activities		**(287,680)**	**20,751**

Military Commercial Joint Stock Bank
Address: No. 21 Cat Linh Street. Dong Da District, Hanoi
STATEMENT OF CASH FLOWS (direct method)
Quarter IV/2019 - 31 December 2019

	Notes	***Period from 01/01/2020 to 31/03/2020***	***Period from 01/01/2019 to 31/03/2019***
		VND million	*VND million*
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in share capital		1,820,668	-
Dividends paid to shareholders		-	-
Treasury shares sell/(purchase)		472,315	(1,036,712)
Net cash flows from financing activities		**2,292,983**	**(1,036,712)**
Net cash flows during the period		**2,030,950**	**(3,460,639)**
Opening balance of cash and cash equivalents		**46,012,273**	**47,648,084**
Closing balance of cash and cash equivalents		**48,043,223**	**44,187,445**

Prepared by	Reviewed by:		Approved by
(signed)	*(signed)*	*(signed)*	*(signed and sealed)*
Ms, Le Thi Huyen Trang Deputy Head of General Accounting and Reporting Department	Ms, Dang Thuy Dung Chief Accountant	Ms, Nguyen Thi Thanh Nga Acting Chief Financial Officer	Mr, Luu Trung Thai Chief Executive Officer

Hanoi, Vietnam
23/04/2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

QUARTER I/2020

I- OPERATION FEATURES OF CREDIT INSTITUTION

1. License for establishment and operation, and valid duration

The Military Commercial Joint Stock Bank is a joint-stock commercial bank established in the Socialist Republic of Vietnam for the main activities to provide banking and relevant financial services pursuant to Operating License No, 100/NH-GP dated 17 October 2018 issued by the Governor of the State Bank of Vietnam (”SBV”), replaced Operating License No, 0054/NH-GP dated 14 September 1994 with an operation duration of 99 years, starting from 14 September 1994.

2. Form of ownership: Shares

3. Composition of Board of Directors

Full name	*Position/Date of appointment/reappointment*
Mr, Le Huu Duc	Chairman
Mr, Luu Trung Thai	Vice Chairman
Ms, Vu Thi Hai Phuong	Vice Chairman
Mr, Do Minh Phuong	Vice Chairman
Mr, Le Viet Hai	Member
Mr, Kieu Dang Hung	Member
Ms, Vu Thai Huyen	Member
Ms, Nguyen Thi Thuy	Member
Ms, Nguyen Thi Ngoc	Member
Mr, Ngo Minh Thuan	Member
Mr, Tran Trung Tin	Independent member of BOD

4. Composition of Supervisory Board

Full name	*Position/Date of appointment/reappointment*
Ms, Le Thi Loi	Head of Supervisory Board
Ms, Do Thi Tuyet Mai	Member
Ms, Pham Thu Ngoc	Member
Mr, Do Van Hung	Member

5. Composition of Board of Management

Full name	*Date of appointment*
Mr, Luu Trung Thai	Chief Executive Officer
Ms, Nguyen Thi An Binh	Deputy Executive Officer
Ms, Pham Thi Trung Ha	Deputy Executive Officer
Mr, Uong Dong Hung	Deputy Executive Officer
Mr, Le Hai	Deputy Executive Officer (dismissed from 30/03/2020)
Mr, Tran Minh Dat	Deputy Executive Officer
Mr, Ha Trong Khiem	Deputy Executive Officer
Mr, Le Quoc Minh	Deputy Executive Officer
Ms, Nguyen Minh Chau	Senior Executive Member of BOM
Mr, Le Xuan Vu	Executive Member of BOM
Ms, Tran Thi Bao Que	Executive Member of BOM
Ms, Nguyen Thi Thanh Nga	Acting Chief Financial Officer

6. Head Office: No, 21 Cat Linh Street, Dong Da District, Hanoi, Vietnam

Military Commercial Joint Stock Bank
Address: No. 21 Cat Linh Street. Dong Da District, Hanoi

Branches: 1 Head Office, 101 branches (including 2 foreign branches) and 198 transaction offices (including 1 foreign branch), 1 Representative office in Russia Federation.

As at 31 March 2020, the Bank has seven (6) subsidiaries as follows:

No,	*Company name*	*Operating license No,*	*Field of business*	*% directly owned by Bank*
1	Military Commercial Joint Stock Assets Management Company Limited ("MB AMC")	0105281799 dated 11 September 2002, issued by Hanoi Department of Planning and Investment	Debt and Asset Management	100.00%
2	MB Securities Joint Stock Company ("MBS")	116/GP-UBCK dated 9 December 2013, issued by the State Securities Commission of Vietnam	Securities brokerage, investment and trading	81.94%
3	MB Capital Management Joint Stock Company ("MB Capital")	21/ UBCK - GPĐCQLQ dated 15 November 2007, issued by the State Securities Commission of Vietnam	Investment Fund Management	90.77%
4	MB Shinsei Finance Company Limited ("MCredit")	27/GP-NHNN dated 4 February 2016, issued by the State Bank of Vietnam	Consumer finance	50.00%
5	MB Ageas Life Insurance Company Limited	74/GP/KDBH dated 21 July 2016, issued by the Ministry of Finance for the 1st time	Life insurance, health insurance, and financial investment	61.00%
6	Military Insurance Joint Stock Corporation ("MIC")	43/GPDC18/KDBH dated 21 January 2016, issued by the Ministry of Finance	Non-life insurance	68.37%

7. Total number of employees

As at 31 March 2020, the Bank and its subsidiaries have **15,422** employees (including subsidiaries).

II- ACCOUNTING STANDARDS AND SYSTEM

1. Compliance with Vietnam Accounting Standards and Accounting System of credit institutions in Vietnam

The Board of Management confirms the attached consolidated financial statements have been prepared in compliance with the Vietnam Accounting Standards and Accounting Systems for credit institutions in Vietnam.

2. Basis of preparation of the consolidated financial statements

Consolidated financial statements of the Bank are presented in Vietnamese Dong (“dong” or “VND”), prepared in accordance with the Accounting System for Credit Institutions in Vietnam under Decision No. 479/2004/QD-NHNN dated 29 April 2004 (Decision 479) by the Governor of the State Bank of Vietnam, effective from 1 October 2004 and amending and supplementing to the Decision 479, Decision No. 16/2007/QD-NHNN dated 18 April 2007 (Decision 16) by the Governor of the State Bank of Vietnam,amending and supplementing to the Decision 16 dated 31 December 2014, Vietnamese Accounting Standards issued by the Ministry of Finance, including:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the issuance and publication of Four Vietnamese Accounting Standards (phase 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the issuance and publication of Six Vietnamese Accounting Standards (phase 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the issuance and publication of Six Vietnamese Accounting Standards (phase 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the issuance and publication of Six Vietnamese Accounting Standards (phase 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the issuance and publication of Four Vietnamese Accounting Standards (phase 5).

The consolidated balance sheet, consolidated statement of income, consolidated retained earnings statement, consolidated statement of cash flows, and the notes to the consolidated financial statements are attached herewith and the use of these statements is not intended for those who are not informed about the accounting procedures and principles and practices in Vietnam. In addition, these statements are not prepared to present the financial position, results of operations, and cash flow of the Bank, in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

3. Consolidation of financial statements

The consolidated financial statements include financial statements of the Bank and its subsidiaries at the end of each quarter and on 31 December each year. Financial statements of the subsidiaries follow the same reporting year and accounting policies that are consistent with those of the Bank.

Intra-group balances and transactions, including unrealized profits arising from intra-group transactions are fully eliminated.

Financial statements of the subsidiaries are consolidated into the financial statements of the Bank in accordance with the full consolidation method from the date the Bank took control. The control is defined as the Bank's authority, direct or indirect, to govern the financial and operational policy of an entity in order to obtain benefits from activities of the entity. Business performance of the acquired and disposed subsidiaries during the year is accounted for in the consolidated statement of income appropriately from the date of acquiring or to the date of disposal.

Non-controlling interests are defined as part of the net business performance and net asset value of a subsidiary corresponding with the interests not held by the holding company, directly or indirectly, in the said subsidiary. The interests of minority shareholders are presented in the consolidated balance sheet, separated from the liabilities and Shareholders’ equity of the Bank. The shares of non-controlling shareholders in the income of the Bank’s system are also presented as separate items

4. *Basis for assessment and application of accounting estimates*

The presentation of the consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, as well as disclosures of contingent liabilities. These estimates and assumptions also affect income, expenses and the provision figures. These estimates are based on assumptions on a number of factors with varying degrees of subjectivity and uncertainty. Therefore, actual results may vary, resulting in the adjustment of related items later.

Going concern

The Bank's Board of Management has evaluated the Bank's ability to continue as a going concern and found that the Banks has adequate resources to maintain its business in a foreseeable future. In addition, the Board of Management did not find any material uncertainty that may affect the Bank's ability to continue as a going concern. Therefore, these consolidated financial statements are prepared on the assumption of going concern.

5. *Changes in accounting policies*

The accounting policies adopted by MB in the preparation of interim consolidated financial statements are consistent with those followed in the preparation of MB's consolidated financial statements for the year ended 31 December 2019

6. *Loans and advances to customers*

Loans and advances to customers are disclosed and presented at the amount of principal outstanding at the end of the fiscal year.

Under current securities law, MBS may lend to customers to buy securities in accordance with provision of margin trading agreement or advances to customers against securities sold. MBS complies with State Securities Commission's Decision No. 637/QD-UBCK dated 30 August 2011 on the issuance of securities margin trading guidelines. MBS manage customer credit risk through company's policies, procedures and control process relating to customer credit risk management.

7. *Allowance for credit risk*

Allowance for credit risks in Vietnam market

Pursuant to Law on Credit Institutions No. 47/2010/QH12, effective from 1 January 2011, Decision No. 1627/2001/QD-NHNN dated 31 December 2001 issued by the Governor of the State Bank of Vietnam regarding issuance of the regulations on lending by credit institutions to customers, Decision No. 127/2005/QD-NHNN dated 3 February 2005 on the amendment, supplement of a number of articles of the regulation on lending by credit institutions to customers, issued in conjunction with the Decision No. 1627/2001/QD-NHNN, Circular No. 02/2013/TT-NHNN dated 21 January 2013 and Circular No. 09/2014/TT-NHNN issued by the State Bank of Vietnam regarding loan classification, provisioning and utilization of allowance against credit risk in banking activities of credit institutions, credit institutions are required to perform loan classification and provisioning of credit risk. Accordingly, loans to customers are classified according to the level of risk as follows: Current loans, Special mentioned loans, Sub-standard loans, Doubtful loans and Loss loans based on the overdue status and other qualitative characteristics of the loans.

Since 2008, the Bank has registered and been approved by the State Bank of Vietnam under the Official Letter No. 8738/NHNN-CNH dated 25 September 2008, accordingly, the Bank is permitted to apply internal credit ratings to classify customer loans under Article 10, Article 11 of Circular No. 02/2013/TT-NHNN. Under this system, the Bank loans will be assessed and classified based on both qualitative and quantitative basis.

Accordingly, these loans are classified according to the level of risk as follows:

No.	*Rating*	*Group*	*Description*

1	AAA	Group 1	Current
2	AA	Group 1	Current
3	A	Group 1	Current
4	BBB	Group 2	Special mentioned
5	BB	Group 2	Special mentioned
6	B	Group 3	Sub-standard
7	CCC	Group 3	Sub-standard
8	CC	Group 4	Doubtful
9	C	Group 4	Doubtful
10	D	Group 5	Loss

On 23 April 2012, the State Bank of Vietnam issued Decision No. 780/QD-NHNN on the classification of rescheduled loans. However, the Bank is required to reclassify off-balance-sheet debts and commitments in accordance with Article 10 and Clause 1, Article 11, Circular 02 in three years from 1 June 2014. Accordingly, if the reclassification results in accordance with Article 10 and Clause 1, Article 11, Circular 02 are different, the debt in dispute shall be reclassified to a group of higher risk.

Specific allowance

Credit risk of loans and advances to customers are calculated as the remaining value of the loan minus the value of the collateral discounted at the rate stipulated in Circular No. 02/2013/TT-NHNN and Circular No. 09/2014/TT-NHNN. Specific allowance is made based on credit risk of loans at respective rate of each loan group as follows:

Group	*Type*	*Specific provision rate*
1	Current	0%
2	Special mentioned	5%
3	Sub-standard	20%
4	Doubtful	50%
5	Loss	100%

General allowance

In accordance with Circular No. 02/2013/TT-NHNN, general allowance is made for losses that have not been identified during loan classification and specific provisioning processes, and in case the credit institution faces deterioration in credit quality. Accordingly, the Bank is required to set and maintain a general allowance at 0.75% of total loans that are classified from Group 1 to Group 4.

Allowance is recognized as an expense in the consolidated statement of income and is utilized to write-off non-performing loans. In accordance with Circular No. 02/2013/TT-NHNN, the Bank established Risk Management Committee to decide to write off non-performing loans when they have been classified to Group 5, or when the borrowers have declared bankrupt or dissolved (for borrowers being organization, enterprise), or borrowers have been dead or missing (for borrowers being individuals).

In accordance with Circular No. 02/2013/TT-NHNN dated 21 January 2013 of the State Bank of Vietnam, general and specific allowances of the Bank for the fiscal year ended 31 December are made based on the outstanding balance as at 30 November of that year.

8. *Securities held for trading*

Securities held for trading are debt securities, equity securities, and other securities that the Bank purchases and intends to sell in the short term in order to gain profit from the difference.

Securities held for trading are recognized at the cost at the date of transaction, and always reflected at cost in subsequent holding periods. These securities are considered for diminution at the time of preparing the consolidated financial statement.

For corporate bonds, those are not yet listed on the stock market or not registered for trading on unlisted public companies; allowance shall be made according to Circular 02 as presented at Note 7.

9. Investment securities

a. Available - for- sale securities

Available-for-sale securities are classified into two types: Equity securities and Debt Securities. The Bank held those for investment purpose and available for sale, not including a type of securities bought and sold regularly but can be sold at any time convenient profitability

Equity securities are initially recognized available - for- sale securities and listed at capital stock market, are recognized at cost on transaction date; and are subsequently recognized at the lower of the book value and the market value and the diminution losses recognized in the separate statement of income.

Debt securities are initially recognized at cost including transaction costs and other directly attributable costs. They are subsequently recognized at amortized cost (after amortization of premiums and discounts) less allowance for diminution in value. Premiums and discounts arising from purchases of debt securities are amortized in the separate statement of income on a straight-line basis over the period from the acquisition date to the maturity date.

Listed held-to-maturity debt securities and available-for-sale investment securities are recognized at cost minus allowance for diminution in the value of securities which is determined by reference to profitability ratio listed on Hanoi Stock Exchange at the balance sheet date.

Unlisted held-to-maturity debt securities and available-for-sale investment securities of the enterprise are recognized at cost less allowance for diminution in the value securities. Debt classification and allowance for these bonds are made in accordance with the policies applicable to loans to customers as described in Note 4(h).

The remaining unlisted debt securities (excluding unlisted held-to-maturity debt securities and available for-sale investment securities of the enterprise) are measured at cost less allowance for diminution in the value of securities which is determined by reference to the market value. In cases where market value of securities cannot be determined reliably, these securities are recognized at cost.

Post-acquisition interest income of available-for-sale debt securities and held-to maturity investment securities is recognized in the separate statement of income on an accrual basis.

Debt securities are initially recognized at cost including transaction costs and other directly attributable costs. They are subsequently recognized at amortized cost (after amortization of premiums and discounts) less allowance for diminution in value. Premiums and discounts arising from purchases of debt securities are amortized to the separate statement of income on a straight-line basis over the period from acquisition date to maturity date.

Available-for-sale debt securities and held-to-maturity investment securities are recognized at cost less allowance for diminution in the value of securities which is determined by reference to the market value. In cases where market value of securities cannot be determined reliably, these securities are recognized at cost.

Post-acquisition interest income of available-for-sale debt securities and held-to maturity investment securities is recognized in the separate statement of income on an accrual basis.

10. Repurchase and reverse repurchase agreements

The securities sold under agreements to repurchase at a specific date in the future are still recognized in the consolidated financial statements. Amounts received under this agreement are recognized as a liability in the consolidated balance sheet, and the difference between the sale price and repurchase price is amortized in the consolidated statement of income over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

The securities purchased under agreements to resell at a specific date in the future are not recognized in the consolidated financial statements. Amounts received under these agreements are recognized as an asset in the consolidated balance sheet, and the difference between the sale price and repurchase price is amortized in the consolidated statement of income over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

11. Investment in Associates

In accordance with the Law on Credit Institutions 2010, effective from 1 January 2011, an associate of a credit institution is a company in which the said credit institution, or that credit institution and its related person, own more than 11% of the charter capital or more than 11% shares with voting rights, and which is not a subsidiary of that credit institution.

Investments in Associates are recognized by the method of equity accounting. Associate is a company which the Bank has significant influence over and is neither a subsidiary nor a joint venture of the Bank.

Under this method, the investment is initially recognized at cost and the book value of the investment may increase or decrease, reflecting the share of the Bank in the net assets of the associate. Losses exceeding the cost of an investment in an associate are recognized when the Bank liable for the losses. The consolidated statement of income reflects the Bank's shares in the business performance of the Associates. When changes are directly attributable to equity of the associate, the Bank will recognize the share of these changes on the consolidated balance sheet. Any gains / (losses) arising from transactions between the Bank and the associate are eliminated in proportion to the capital contribution of the Bank to the Associates.

The financial statements of the Associates used for the purpose of consolidation under the method of equity accounting have the same accounting period and the same accounting policies which are consistent with the policies of the Bank for similar transactions or events of similar nature.

12. Other long-term investments

Other long-term investments represent the Bank's capital investments in other entities where the Bank owns less than 11% of voting rights and at the same time, the Bank is a founding shareholder or a strategic partner; or has a certain degree of influence over the making and deciding of financial and operational policies of the invested enterprise, but has no significant impact on financial and operational policies of these companies, under written agreements to appoint personnel to the Board of Directors/Board of Management.

Other long-term investments are initially recognized at cost, and subsequently recognized at cost less allowance for diminution in the value of investments, if any.

Other long-term capital contributions shall be considered for possibilities of diminution. Allowance for diminution in value is recognized in consolidated statement of income if market value is lower than book value of investment securities and if there is objective evidence of a long-term diminution in value of the initial capital contributions.

Allowance for diminution in value of initial capital contribution is made when the economic institution in which the Bank and its subsidiaries suffering losses (except for the expected loss as determined in the original business plan).

13. Fixed asset

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of all costs incurred by the Bank and its subsidiaries in acquiring the tangible fixed assets up to the time the asset was put into use.

Expenses for procurement, upgrading and renovation of the tangible fixed assets are recognized as an increase to their cost; expenses for maintenance and repair are accounted for in the consolidated statement of income when incurred.

Upon sales or liquidation of the tangible fixed asset, the cost and accumulated depreciation are written off and the gains / (losses) incurred from liquidation of the asset shall be accounted for in the consolidated statement of income.

Intangible fixed assets

Intangible fixed assets are recognized at cost less accumulated amortization.

The cost of an intangible fixed asset comprises of all costs incurred by the Bank and its subsidiaries in acquiring the tangible fixed assets up to the time the asset was put into use.

The cost of upgrading and renovation of the intangible fixed assets are recognized as an increase to their cost; and other costs are accounted for in the consolidated statement of income when incurred.

Upon sales or liquidation of the intangible fixed asset, the cost and accumulated amortization are written off and the gains / losses incurred from liquidation of the asset shall be accounted for in the consolidated statement of income.

Depreciation and amortization

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

Building and structures	6-25 years
Machines and equipment	3-4 years
Means of transportation	6 years
Other tangible fixed assets	4 years
Computer software	3 years

(*) The land use rights with indefinite term granted by the State are not amortized, whereas definite Land use rights are amortized over the lease term.

14. Investment property

Investment properties are the real estates invested by the Bank and its subsidiaries for the purpose of leasing or making a profit from asset appreciation. Investment properties are initially recognized at their acquisition cost, including transaction costs and subsequently recognized at cost less accumulated depreciation. Depreciation expenses are recognized in other operating expenses.

The land use rights with indefinite term granted by the State are not amortized, whereas definite Land use rights are amortized over the lease term.

15. Receivables

Receivables other than those from credit activities of credit institutions are initially recognized at cost and shall always be presented at cost subsequently.

Other receivables are subject to review for risk provision based on overdue period of receivables or estimated losses that may arise from undue debts of which indebted economic institutions go bankrupt or undergo dissolution procedures; debtors are missing, have fled, are prosecuted, detained or tried by law enforcement bodies or dead. Provision expenses incurred is recognized under “Provision expenses for other Assets during the year".

For overdue receivables, the provision rates are as follows:

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

16. *Recognition of revenues and expenses*

a. Recognition of revenues from banking operations

Interest income on loans

Interest incomes on loans are recognized in the consolidated statement of income on accrual basis. Accrued interest on loans from Group 2 to Group 5 in accordance with Circular No. 02/2013/TT-NHNN and Circular No. 09/2014/TT-NHNN shall not be recognized in the consolidated statement of income. Instead, these accruals are tracked in off-balance-sheet accounts and only recognized in the consolidated statement of income when they are received by the Bank.

b. Recognition of income from other activities

Revenue from securities brokerage activities

When the contract outcome can be determined reliably, revenues shall be recognized based on the level of completion of the work. In cases where the contract outcome cannot be determined, the income will be recognized at the recoverable level of costs recognized.

Revenue from trading securities

Revenue from trading securities is determined based on the difference between the selling price and the weighted average cost of the securities.

Repurchase and resale of securities

Revenue is recognized in the statement of income on a straight-line basis over the terms of the repurchase and resale agreement.

Investment portfolio management fee

Revenue is recognized on an accrual basis in accordance with the terms and conditions of the investment management agreement.

Rent

Revenue from rental assets under operating lease agreements is recognized in the consolidated statement of income on a straight-line basis over the term of the lease.

Revenue from other services

When the contract outcome can be determined reliably, revenue are recognized based on the level of completion of the work. In case the contract outcomes cannot be determined reliably, revenue shall be recognized only at the recoverable level of costs recognized.

Dividend

Cash dividends from investment activities are recognized as revenue when the right to receive dividends of the Bank and its subsidiaries is established. Dividends in shares and bonus shares received are not recognized as revenue of the Bank and its subsidiaries; but only the number of shares is updated.

17. *Transactions in foreign currencies*

All transactions of the Bank are accounted for in the original currency. At the end of the period, assets and liabilities denominated in foreign currencies are converted into VND at the exchange rate as at the date of the consolidated balance sheet (see details of exchange rates applicable at the balance sheet date in Note 46). Incomes and expenses denominated in foreign currencies of the Bank are converted into VND at the exchange rate at the date of the transaction. Foreign exchange differences due to revaluation of assets and liabilities in foreign currencies into VND during period are recognized in the interim separate income statement.

18. Corporate income tax

Current corporate income tax

Tax assets and tax liabilities for the current year and previous years are measured at the amount payable to (or recovered from) the tax authorities based on enacted tax rates and tax laws at the date of consolidated balance sheet.

Current income taxes are recognized in the consolidated statement of income except when it relates to items recognized directly to Shareholders' equity, in which case the current income tax is also recognized directly to Shareholders' equity.

Enterprises can only offset current income tax assets and current income tax payables when enterprises have a legal right to offset current income tax assets with current income tax payables on a net basis and intend to do so.

The Bank's reports on tax return are subject to inspection by the tax authorities. Tax amounts presented in the consolidated financial statements are subject to change upon the final decision by the tax authorities.

Deferred income tax

Deferred tax payable is recognized for all temporary taxable differences, except:

- ► Deferred income tax liabilities arising from initial recognition of an asset or liability in a transaction which did not affect accounting profit or taxable profit (or loss) at the time of the transaction.
- ► Temporary taxable differences associated with investments in subsidiaries, associates and joint ventures which can be controlled in terms of the reversal time and certainty that such temporary gain will not be reversed in the foreseeable future.
- ► Deferred income tax assets which are recognized for all deductible temporary differences, deductible amounts of the tax losses transferred to the next years and unused tax incentives when it is certain that future taxable profits will arise to use deductible differences, taxable losses and unused tax incentives, except:
- ► Deferred income tax assets arising from initial recognition of an asset or liability in a transaction which did not affect accounting profit or taxable profit (or loss) at the time of the transaction.
- ► All deductible temporary differences arising from investments in subsidiaries, associates and joint ventures when it is certain that the temporary difference will be reversed in the foreseeable future and with taxable profits to use such temporary differences.

The book value of deferred tax assets must be reviewed again at the end of the fiscal year and depreciated to the extent to ensure enough taxable profit to use part or all deferred tax assets. Deferred corporate income tax assets previously not recognized will be reviewed at the end of the fiscal year and recognized when it is certain that taxable profit is sufficient to use such unrealized deferred income tax assets.

Deferred tax assets and deferred tax liabilities are calculated at the tax rates expected to be applied for the fiscal year when the asset is realized or the liability is paid, based on applicable tax rates and tax laws at the end of the fiscal year.

Deferred income taxes are recognized in the consolidated Statement of income except when income tax incurred in relation to items recognized directly to equity, in which case the deferred income tax is also recognized directly to equity.

The Bank can only apply clearing payment between deferred income tax assets and deferred income tax liabilities when it has legal right to offset between deferred income tax assets and deferred income tax liabilities and such deferred income taxes are managed by the same tax authority and the Bank intend to pay current income tax liabilities and current tax assets on a net basis.

19. *Cash and cash equivalents*

Cash and cash equivalents consist of cash, gold and gemstones, balances with the State Bank of Vietnam, government bills and other short-term valuable papers eligible for SBV discount, transaction accounts and deposits at, loans to other credit institutions with maturity of less than three months from the date of granting.

20. *Assets entrusted for management and safe-keeping*

Assets entrusted for management and safe-keeping are not considered assets of the Bank and therefore not included in its consolidated financial statements.

21. *Currency derivative contracts*

Currency forward and swap contracts

For currency forward and swap contracts, the difference between the value of VND amount of foreign currencies committed to buy / sell at forward rate and spot rate on the effective date of the contract is recognized immediately at the effective date of the contract as an asset to “Financial derivatives and other financial assets” if positive or as a liability to “Financial derivatives and other financial liabilities” if negative. This difference is then amortized to "Profit / (loss) from foreign exchange operations" over the term of the contract. Foreign exchange differences due to revaluation of commitments under currency forward and swap contracts during the year are recognized and tracked in “Exchange rate differences” accounts and transferred to the consolidated statement of income at the end of the fiscal year in accordance with Decision 479 and Circular 10 on the chart of accounts applicable for credit institutions.

22. *Clearing*

Financial assets and liabilities are netted off and the net amounts are recognized on the consolidated balance sheet only when the Bank has the legal right to offset and the Bank intends to pay the debts and assets on a net basis, or the final accounting of assets and liabilities occur simultaneously.

23. *Employees benefits*

a. Retirement allowance

Retired bank employees will receive retirement benefits from Social Insurance under the management of the Ministry of Labor, Invalids and Social Affairs. The Bank shall pay social insurance for every employee at 17.00% of their monthly basic salaries. Besides, the Bank shall disclaim any other obligations.

Bank employees laid-off due to downsizing will be compensated one-month basic salary for every working year (twelve months) and half of monthly basic salary for every month of premature retirement (up to 30 months), which shall be accounted into job loss allowance funds of the Bank. In addition, the laid-off employees shall be entitled to an allowance equal to 3-month pay (taken from salary reserve).

b. Voluntary severance allowance and job loss allowance

Voluntary severance allowance: According to Article 48 of Vietnam Labor Code 10/2012/QH13 effective from 1 May 2013, the Bank is obligated to pay severance allowance equal to a half of monthly salary plus other allowances (if any) for every working year until 31 December 2008 to the employees voluntarily resigning. From 1 January 2009, the average monthly salary used to calculate severance allowance shall be recalculated and adjusted at the end of every reporting period based on the average of the most recent six months before reporting.

Job loss allowance: In accordance with Article 17 of the Labor Code, the Bank is obligated to pay the allowance to any employees losing their jobs due to organization or technology restructuring. In such case, the Bank is obligated to pay the employee a job loss allowance equivalent to one month salary for every working year; the minimum appropriation level shall be two month pay. Increase or decrease in provision balance shall be accounted into overhead expenses in the reporting period.

c. *Unemployment allowance*

According to Circular No. 32/2010/TT-BLDTBXH guiding the implementation of Decree No. 127/2008/ND-CP on Unemployment insurance, from 1 January 2010, the Bank is obligated to pay 1% of the salary fund for unemployment insurance for the participants and concurrently deduct 1% of salary or wage of each unemployment insurance participating employee for payment of unemployment insurance into Unemployment Insurance Fund.

III– ADDITIONAL INFORMATION FOR BALANCE SHEET ITEMS

1. Cash, gold and gemstones

	31/03/2020 VND million	31/12/2019 VND million
Cash in VND	1,730,047	1,920,366
Cash in foreign currencies	521,006	420,160
Gold	2,003	3,765
	2,253,056	**2,344,291**

2. Balances with State banks

	31/03/2020 VND million	31/12/2019 VND million
Balances with the State Bank of Vietnam	6,081,593	13,582,665
- *In VND*	*5,839,063*	*11,835,562*
- *In foreign currencies*	*242,530*	*1,747,103*
Balances with the Bank of the Lao PDR	147,704	231,067
Balances with the National Bank of Cambodia	533,852	533,448
	6,763,149	**14,347,180**

Balances with the State Bank of Vietnam (SBV) consist of current accounts and compulsory required reserves in accordance to the regulations of SBV.

Balances with the Bank of the Lao PDR and the National Bank of Cambodia consist of current accounts and compulsory required reserves in accordance with regulations of the Bank of the Lao PDR and the National Bank of Cambodia.

3. Cash and gold deposits at and loans to other credit institutions

	31/03/2020 VND million	31/12/2019 VND million
Cash, gold deposits at other credit institutions	**39,044,075**	**29,338,805**
Of which:		
Current Accounts		
- *In VND*	*6,280,177*	*6,344,183*
- *In foreign currencies, gold*	*5,136,211*	*2,769,050*
Term deposit		
- *In VND*	*22,255,098*	*16,151,375*
- *In foreign currencies, gold*	*5,372,589*	*4,074,197*
Loans to other credit institutions	**8,748,833**	**10,548,559**
In VND	*7,192,855*	*7,777,121*
In foreign currencies, gold	*1,555,978*	*2,771,438*
Allowance for loans losses of loans to other CIs	-	(196,000)
	47,792,908	**39,691,364**

4. Securities held for trading

Investments into securities held for trading as at 31 March 2020 and 31 December 2019 include:

	31/03/2020 VND million	*31/12/2019 VND million*
Debt Securities		
Listed	-	104,409
Unlisted	810,752	577,986
Equity Securities		
Listed	448,304	394,352
Unlisted	60,384	120,140
	1,319,440	**1,196,887**
Allowance for diminution in the value of securities held for trading	(73,293)	(29,078)
	1,246,147	**1,167,809**

5. Loans to customers

	31/03/2020 VND million	*31/12/2019 VND million*
Outstanding loans to customers		
Loans to domestic economic entities and individuals	240,988,686	243,028,585
Discounted commercial bills and valuable papers	705,463	640,820
Loans granted from borrowed and entrusted funds	428,027	436,508
Payables on behalf of customers	-	5,055
Loans to foreign economic entities and individuals	3,462,047	3,530,256
	245,584,223	***247,641,224***
Securities margin loan and advances to MBS customers	2,395,485	2,689,399
	247,979,708	**250,330,623**

- ***Loan quality analysis:***

	31/03/2020 VND million	*31/12/2019 VND million*
Outstanding loans to customers		
Current loans	239,189,695	244,536,712
+ of which, Loans at MBS	*2,395,485*	2,689,399
Special mentioned loans	4,784,694	2,896,273
Sub-standard loans	1,365,418	1,380,392
Doubtful loans	1,734,192	899,344
Loss	905,709	617,902
	247,979,708	**250,330,623**

- ***Notes to outstanding loans by term:***

	31/03/2020 VND million	*31/12/2019 VND million*
Outstanding loans to customers		
Short-term	116,267,792	118,907,666
Mid-term	33,439,150	33,906,591
Long-term	95,877,281	94,826,967
	245,584,223	247,641,224
Securities margin loan and advances to MBS customers	2,395,485	2,689,399
	247,979,708	**250,330,623**

- ***Notes to outstanding loans by category of customer and type of economic entities***

	31/03/2020 VND million	*%*	*31/12/2019 VND million*	*%*
Outstanding loans to customers				
Loans to economic entities	**142,165,140**	**57.33**	**142,663,334**	**56.99**
State-owned enterprises	14,938,259	6.02	15,082,508	6.03
One-member limited liability companies with 100% State-owned capital	6,315,099	2.55	6,930,066	2.77
Limited liability companies with more than one members with more than 50% State-owned capital	460,899	0.19	389,523	0.16
Other limited liability companies	45,607,338	18.39	45,978,538	18.36
Joint Stock companies with more than 50% State-owned Capital (the State holds dominating shares)	5,527,661	2.23	5,935,532	2.37
Other joint stock companies	60,668,159	24.46	61,087,645	24.40
Partnership	-	-	-	-
Private enterprises	-	-	-	-
Foreign invested enterprises	8,478,170	3.42	7,063,750	2.82
Cooperatives and cooperative unions	169,555	0.07	195,772	0.08
Loans to individuals	**99,821,926**	**40.24**	**101,303,787**	**40.47**
Household business, individuals	99,821,926	40.24	101,303,787	40.47
Other loans	**135,720**	**0.06**	**161,095**	**0.06**
Administrative units, Communist Party, Union and Association	20,387	0.01	40,151	0.02
Others	115,333	0.05	120,944	0.04
Loans to customers of the Foreign branches	**3,461,437**	**1.40**	**3,513,008**	**1.41**
Loans to enterprises	2,596,905	1.05	2,674,224	1.07
Loans to individuals	864,532	0.35	838,784	0.34
	245,584,223	**99.03**	**247,641,224**	**98.93**
Securities margin loan and advances to MBS customers	2,395,485	0.97	2,689,399	1.07
	247,979,708	**100.00**	**250,330,623**	**100.00**

- ***Notes to outstanding loans by industry sectors***

	31/03/2020 VND million	*%*	*31/12/2019 VND million*	*%*
Outstanding loans to customers of the Bank				
Agriculture, Forestry, Fishery	3,104,515	1.25	3,320,783	1.33
Mining	3,318,047	1.34	3,837,122	1.53
Manufacturing and processing	39,746,615	16.03	38,783,944	15.49
Production & Distribution of Electricity, Gas, Hot Water, Steam and Air-Conditioning	10,000,222	4.03	10,000,983	4.00
Water supply, garbage & sewage management & treatment	701,539	0.28	724,777	0.29
Construction	17,674,741	7.13	19,403,393	7.75
Wholesale, Retail trade, Repair of Automobiles, Motor cycles and other Automotive Vehicles	56,071,603	22.61	56,817,785	22.70
Transportation, Warehousing	7,516,285	3.03	7,810,083	3.12
Hospitality services	8,284,300	3.34	7,780,639	3.11
Information & Communication	2,160,309	0.87	2,598,729	1.04

Finance, Banking and Insurance	640,547	0.26	842,569	0.34
Real estate trading	5,641,153	2.27	5,356,894	2.14
Professional, scientific & technological activities	354,202	0.14	311,581	0.12
Administration & Supporting services	901,651	0.36	894,466	0.36
Education & Training	1,150,671	0.46	1,131,384	0.45
Healthcare and social work	1,661,088	0.67	1,479,427	0.59
Arts, entertainment and recreation	3,565,222	1.44	2,721,923	1.09
Other services	48,271	0.02	53,874	0.02
Households services, producing household self-consumed products and services	79,581,805	32.10	80,257,860	32.06
Loans at Foreign branches	3,461,437	1.40	3,513,008	1.40
	245,584,223	**99.03**	**247,641,224**	**98.93**
Securities margin loan and advances to MBS customers	2,395,485	0.97	2,689,399	1.07
	247,979,708	**100.00**	**250,330,623**	**100.00**

6. Movements (increase/decrease) of allowance for loans losses:

(i) Movements in the allowance for loans losses as at 31 March 2020 include the following items:

	In Vietnam			*In foreign branches*			*Total*		
	Specific Allowance	*General Allowance*	*Total*	*Specific Allowance*	*General Allowance*	*Total*	*Specific Allowance*	*General Allowance*	*Total*
Balance as at 01 January 2020	**1,326,127**	**1,764,527**	**3,090,654**	**82,443**	**27,816**	**110,259**	**1,408,570**	**1,792,343**	**3,200,913**
Allowance made / reversed during the period	2,047,868	22,643	2,070,511	9,058	(766)	8,292	2,056,926	21,877	2,078,803
Utilized allowances	(1,348,495)	-	(1,348,495)	(19,492)	-	(19,492)	(1,367,987)	-	(1,367,987)
Exchange rate adjustment	-	-	-	112	390	502	112	390	502
Adjustment under foreign branches's audited reports	-	-	-	(4,538)	-	(4,538)	(4,538)	-	(4,538)
Balance as at 31 March 2020	**2,025,500**	**1,787,170**	**3,812,670**	**67,583**	**27,440**	**95,023**	**2,093,083**	**1,814,610**	**3,907,693**

(ii) Movements in the allowance for loans losses in 2019 include the following items:

	In Vietnam			*In foreign branches*			*Total*		
	Specific Allowance	*General Allowance*	*Total*	*Specific Allowance*	*General Allowance*	*Total*	*Specific Allowance*	*General Allowance*	*Total*
Balance as at 1 January 2019	**1,533,961**	**1,537,018**	**3,070,979**	**113,743**	**26,283**	**140,026**	**1,647,704**	**1,563,301**	**3,211,005**
Allowance made / reversed during the period	4,621,863	227,509	4,849,372	53,484	1,729	55,213	4,675,347	229,238	4,904,585
Utilized allowances	(4,829,697)	-	(4,829,697)	(88,993)	-	(88,993)	(4,918,690)	-	(4,918,690)
Exchange rate adjustment	-	-	-	(329)	(196)	(525)	(329)	(196)	(525)
Adjustment under foreign branches's audited reports	-	-	-	4,538	-	4,538	4,538		4,538
Balance as at 31 December 2019	**1,326,127**	**1,764,527**	**3,090,654**	**82,443**	**27,816**	**110,259**	**1,408,570**	**1,792,343**	**3,200,913**

7. Investment securities

7.1. Available-for-sale investment securities

The detailed data of available-for-sale investment securities of the Bank is as follows:

		31/03/2020 VND million	*31/12/2019 VND million*
Debt securities			
Debt securities issued by the Government	(i)	23,819,589	25,958,446
Debt securities guaranteed by the Government	(i)	21,419,829	21,914,867
Treasury bills by SBV	(i)	-	-
Debt securities issued by other credit institutions	(ii)	22,594,259	22,694,379
Debt securities issued by domestic economic	(iii)	11,430,202	12,156,035

entities		
Equity securities		
Equity securities issued by other credit institutions	-	-
Equity securities issued by domestic economic entities	-	-
	79,263,879	**82,723,727**
Allowance for diminution in the value of available-for-sale securities	(208,337)	(190,540)
	79,055,542	**82,533,187**

(i) *Debt securities issued by the Government (including SBV bill)* and *Debt securities guaranteed by the Government* include bonds with 3 year to 30-year term at annual interest rates from 3.10% to 11.60%/year.

(ii) *Debt securities issued by other credit institutions* include bonds with 9 month to 4-year term at annual interest rates from 5.70% to 9.30%/year.

(iii) *Debt securities issued by domestic economic entities* include bonds with 19 months to 14-year term at annual interest rates from 8.50% to 11.40%/year.

7.2. Held-to-maturity investment securities

		31/03/2020 VND million	*31/12/2019 VND million*
Held-to-maturity investment securities			
Bonds guaranteed by the Government		182,281	183,374
Bonds issued by other credit institutions	(i)	200,000	580,182
Bonds issued by domestic economic entities	(ii)	2,295,071	2,433,321
		2,677,352	**3,196,877**
Allowance for diminution in the value of held-to-maturity investment securities		(70,312)	(101,065)
		2,607,040	**3,095,812**

(i) *Bonds issued by other credit institutions* with 5-year term at annual interest rates 9.00%/year.

(ii) *Bonds issued by domestic economic entities* include bonds with 1-year to 15-year term at annual interest rates from 8.90% to 11.60%/year.

8. Capital contribution & long-term investment

Details of long-term investments items are as follows:

	31/03/2020 VND million	*31/12/2019 VND million*
Investment in associates	-	-
Other long-term investments	1,037,415	1,037,453
	1,037,415	**1,037,453**
Allowance for diminution in the value of long-term investments	(160,110)	(150,436)
	877,305	**887,017**

8.1. Investments in Associates

	31/03/2020 *VND million*	*31/12/2019* *VND million*
MIC Investment Joint Stock Company	-	-
Long Thuan Loc Joint Stock Company	-	-
	-	**-**

8.2. Other long-term investments

	31/03/2020 *VND million*	*31/12/2019* *VND million*
Investment in economic entities and long-term projects	870,338	870,376
Investment in investment funds	167,077	167,077
	1,037,415	**1,037,453**

9. Tangible fixed assets

Movements in tangible fixed assets ending on 31 March 2020 are as follows:

	Building and structures VND million	*Machines, equipment VND million*	*Means of transportation VND million*	*Other tangible fixed assets VND million*	*Total VND million*
Cost					
Opening balance	1,376,808	1,386,190	665,021	157,794	3,585,813
Increase during the period	183	15,862	62,886	2,177	81,108
Decrease during the period	-	(1,556)	(1,204)	(172)	(2,932)
Exchange rate adjustment	165	201	67	(8)	425
Closing balance	1,377,156	1,400,697	726,770	159,791	3,664,414
Accumulated amortization					
Opening balance	264,211	1,066,017	484,287	129,295	1,943,810
Depreciation during the period	13,556	38,305	22,955	2,658	77,474
Decrease during the period	-	(791)	(1,017)	(172)	(1,980)
Exchange rate adjustment	55	136	23	(7)	207
Closing balance	277,822	1,103,667	506,248	131,774	2,019,511
Net book value					
Opening balance	1,112,597	320,173	180,734	28,499	1,642,003
Closing balance	1,099,334	297,030	220,522	28,017	1,644,903

Movements in tangible fixed assets ending on 31 December 2019 are as follows:

	Building and structures VND million	*Machines, equipment VND million*	*Means of transportation VND million*	*Other tangible fixed assets VND million*	*Total VND million*
Cost					
Opening balance	1,367,799	1,192,297	578,096	130,267	3,268,459
Purchase during the period	6,858	162,596	91,691	21,995	283,140
Sale during the period	(307)	(5,563)	(7,777)	(2,793)	(16,440)
Complete purchasing tangible fixed asset	-	43,481	3,198	859	47,538
Others	2,475	(6,110)	-	7,521	3,886

Exchange rate adjustment	(17)	(511)	(187)	(55)	(770)
Closing balance	1,376,808	1,386,190	665,021	157,794	3,585,813
Accumulated amortization					
Opening balance	208,492	919,785	425,961	128,069	1,682,307
Depreciation during the period	56,040	152,190	65,054	4,051	277,335
Sale during the period	(307)	(5,467)	(6,559)	(2,776)	(15,109)
Exchange rate adjustment	(14)	(491)	(169)	(49)	(723)
Closing balance	264,211	1,066,017	484,287	129,295	1,943,810
Net book value					
Opening balance	1,159,307	272,512	152,135	2,198	1,586,152
Closing balance	1,112,597	320,173	180,734	28,499	1,642,003

10. Intangible fixed assets

Movements in intangible fixed assets ending on 31 March 2020 are as follows:

	Definite land use rights *VND million*	*Computer software* *VND million*	*Other intangible fixed assets* *VND million*	*Total* *VND million*
Cost:				
Opening balance	1,102,024	872,307	5,837	1,980,168
Purchase during the period	-	50,795	-	50,795
Others increase/decrease during the period	-	926	-	926
Exchange rate adjustment	-	63	-	63
Closing balance	1,102,024	924,091	5,837	2,031,952
Accumulated amortization:				
Opening balance	160,825	659,566	3,718	824,109
Depreciation during the period	4,788	36,519	167	41,474
Others increase/decrease during the period	-	-	-	-
Exchange rate adjustment	-	37	-	37
Closing balance	165,613	696,122	3,885	865,620
Net book value:				
Opening balance	941,199	212,741	2,119	1,156,059
Closing balance	936,411	227,969	1,952	1,166,332

Movements in intangible fixed assets ending on 31 December 2019 are as follows:

	Definite land use rights *VND million*	*Computer software* *VND million*	*Other intangible fixed assets* *VND million*	*Total* *VND million*
Cost:				
Opening balance	1,075,116	743,180	4,857	1,823,153
Purchase during the period	26,908	86,556	980	114,444
Sale during the period	-	(2,077)	-	(2,077)
Complete purchasing tangible fixed asset	-	44,731	-	44,731
Exchange rate adjustment	-	(83)	-	(83)
Closing balance	1,102,024	872,307	5,837	1,980,168
Accumulated amortization:				
Opening balance	141,870	565,749	2,372	709,991
Increase during the period	18,955	95,943	1,346	116,244
Sale during the period	-	(2,077)	-	(2,077)
Exchange rate adjustment	-	(49)	-	(49)
Closing balance	160,825	659,566	3,718	824,109
Net book value:				
Opening balance	933,246	177,431	2,485	1,113,162
Closing balance	941,199	212,741	2,119	1,156,059

11. Investment properties

The movements of investment properties during the fiscal year ending 31 March 2020 are as follows:

	Building and structures VND million	*Definite land use rights VND million*	*Total VND million*
Cost:			
Opening balance	30,813	-	30,813
Increase during the year	-	-	-
Decrease during the year	-	-	-
Ending balance	30,813	-	30,813
Accumulated depreciation:			
Opening balance	-	-	-
Increase during the year	-	-	-
Decrease during the year	-	-	-
Ending balance	-	-	-
Net book value:			
Opening balance	30,813	-	30,813
Ending balance	30,813	-	30,813

The movements of investment properties during the period ending 31 December 2019 are as follows:

	Building and structures VND million	*Definite land use rights VND million*	*Total VND million*
Cost:			
Opening balance	30,813	-	30,813
Increase during the year	-	-	-
Decrease during the year	-	-	-
Ending balance	30,813	-	30,813
Accumulated depreciation:			
Opening balance	-	-	-
Increase during the year	-	-	-
Decrease during the year	-	-	-
Ending balance	-	-	-
Net book value:			
Opening balance	30,813	-	30,813
Ending balance	30,813	-	30,813

12. Receivables

	31/03/2020 VND million	*31/12/2019 VND million*

Internal receivables	191,446	109,155
External receivables	13,175,233	11,361,990
	13,366,679	**11,471,145**

Details of external receivables are as follows:

	31/03/2020 VND million	*31/12/2019 VND million*
- Cost of unfinished construction	2,076,375	1,882,989
- Escrow deposit at foreign banks	1,030,525	1,087,822
- Draft Buyback LC & Upas LC	3,330,082	2,924,016
- Receivables from BankPlus service	1,480,022	9,730
- Receivables from payment service	2,152,574	2,364,121
- Other receivables	3,105,655	3,093,312
	13,175,233	**11,361,990**

13. Other Assets

	31/03/2020 VND million	*31/12/2019 VND million*
Prepaid expenses	1,056,009	1,026,563
Goodwill	57,135	57,135
Other assets	1,386,563	1,391,364
	2,499,707	**2,475,062**

14. Deposits and borrowings from other credit institutions

	31/03/2020 VND million	*31/12/2019 VND million*
Demand deposits from other credit institutions		
- *In VND*	*6,060,826*	*6,052,539*
- *In gold and foreign currencies*	*5,060*	*20,788*
Term deposits from other credit institutions		
- *In VND*	*24,796,025*	*15,347,042*
- *In gold and foreign currencies*	*16,549,400*	*8,129,786*
Borrowings from other credit institutions		
- *In VND*	*8,314,152*	*8,278,067*
- *In gold and foreign currencies*	*14,015,037*	*12,485,830*
	69,740,500	**50,314,052**

15. Customer deposits

- ***Notes to deposits by type:***

	31/03/2020 VND million	*31/12/2019 VND million*
Current account and gold	**71,852,625**	**92,352,406**
Current account in VND	*56,774,457*	*74,073,605*
Current account in foreign currencies	*15,078,168*	*18,278,801*
Term deposits and gold	**161,129,722**	**168,050,891**
Term deposits in VND	*156,490,680*	*163,196,059*
Term deposits in foreign currencies	*4,639,042*	*4,854,832*
Deposits for specific purpose	**1,964,394**	**4,665,836**

Margin deposits	**5,790,384**	**7,640,379**
Margin deposits in VND	*3,038,991*	*3,790,685*
Margin deposits in foreign currencies	*2,751,393*	*3,849,694*
	240,737,125	**272,709,512**

- ***Notes to deposits by type of customers***

	31/03/2020 VND million	*31/12/2019 VND million*
Deposits of economic entities	115,450,504	152,940,345
Deposits of individuals	125,286,621	119,769,167
	240,737,125	**272,709,512**

16. Financial derivatives and other financial liabilities

	Total book value (at exchange rate of the reporting date)		
	Assets VND million	*Liabilities VND million*	*Net value VND million*
As at 31 March 2020			
Currency derivative financial instruments	**128,201**	**-**	**128,201**
Currency forward transactions	16,495	-	16,495
Currency swap transactions	111,706	-	111,706
As at 31 December 2019			
Currency derivative financial instruments	**18,991**	**(4,155)**	**14,836**
Currency forward transactions	-	(4,155)	(4,155)
Currency swap transactions	18,991	-	18,991

17. Borrowed and entrusted funds and risk-bearing loans to CI

	31/03/2020 VND million	*31/12/2019 VND million*
Fund received from other institutions (*)	285,007	302,126
	285,007	**302,126**

(*) Fund received from other organizations represent ODA funds from the Bank of Japan International Cooperation in VND through the State Bank of Vietnam under their project to finance small and medium enterprises. The framework agreement was signed on 17 March 2010. Loan terms are long-term and medium-term loans with an interest rate of 5.08% per annum.

18. Valuable papers issued

	31/03/2020 VND million	*31/12/2019 VND million*

Ordinary bonds issued in 2017	(i)	3,336,295	3,345,628
Ordinary bonds issued in 2018	(ii)	2,485,089	2,484,984
Ordinary bonds issued in 2019	(iii)	778,325	758,841
Depositary certificate issued in 2018	(iv)	200,000	2,200,000
Depositary certificate issued in 2019	(v)	17,499,113	17,499,176
Depositary certificate issued in 2020	(vi)	7,074,807	-
		31,373,629	**26,288,629**

(i) Ordinary bonds issued by the Bank at the annual interest rate from 7.90 – 8.70%/year

(ii) Depositary certificate issued by the Bank in 2019 at the annual interest rate from 4.00%-7.20%/year

19. Other payables and liabilities

	31/03/2020 VND million	*31/12/2019 VND million*
Internal payables	1,445,184	2,102,423
External payables	14,408,374	15,257,542
	15,853,558	**17,359,965**

20. Capital and reserves

20.1. Report on changes in consolidated owners' equity and reserves

As at 31 March 2019 the number of outstanding shares issued by the Bank was **2,437,042,861** shares at par value of VND 10,000. Hence the Bank's charter capital was VND **24,370,429** million.

Unit: VND million

Items	Opening balance	Provision	Used/Decreased	Ending balance
Charter capital	23,727,323	643,106	-	24,370,429
Premium capital	-	1,177,563	-	1,177,563
Treasury shares	(1,036,712)	472,315	-	(564,397)
Other capital	27,834	97,111	-	124,945
Financial reserves	1,507,279	5,979	-	1,513,258
Additional equity reserve	2,905,780	628	-	2,906,408
Other reserves	523,855	-	(16,351)	507,504
Non-controlling interest	10,342,490	1,712,251	(81,296)	11,973,445
Retained earnings	1,887,965	117,246	(30,316)	1,974,895
Total	**39,885,814**	**4,226,199**	**(127,963)**	**43,984,050**

20.2. Bank's reserves

In accordance with Decree 93/2017/ND-CP issued by the Government dated 07 August 2017, before making profit distribution, Bank is required to make appropriation of reserves as follows:

	Profit after tax percentage	*Maximum percentage*
Equity reserve fund	5% Profit after tax	100% of the charter capital
Financial reserves	10% Profit after tax	

The appropriation of other funds shall be at the discretion of the credit institution as per resolutions of General Meeting of Shareholders.

20.3. Earnings per share

	From 01/01/2020 to 31/03/2020 VND million	From 01/01/2019 to 31/12/2019 VND million
Profit after tax (for the Bank, excluding non-controlling interest)	1,712,251	1,860,629
Weighted average number of outstanding ordinary shares (shares)	2,361,721,494	2,146,335,487
Earnings per Share (VND/share)	**725**	**867**

20.4. Shares:

	31/03/2020	31/12/2019
Number of shares registered for issuance		
Number of shares offered to the public	2,437,042,861	2,372,732,280
- *Ordinary shares*	2,437,042,861	2,372,732,280
Number of repurchased shares	(25,616,120)	(47,052,980)
- *Ordinary shares*	*(25,616,120)*	*(47,052,980)*
- *Preference shares*		
Number of outstanding shares	2,411,426,741	2,325,679,300
- *Ordinary shares*	2,411,426,741	2,325,679,300
- *Preference shares*		

IV- Additional information to items presented in the Statement of Income

1. Interest and similar income

	From 01/01/2020 to 31/03/2020 VND million	From 01/01/2019 to 31/03/2019 VND million
Interest and similar income		
Interest Income from balances with other CIs	165,771	285,878
Interest Income from loans	6,105,811	5,322,704
Interest income from debt securities	1,378,106	1,192,251
Fee from guarantee services	329,032	284,074
Other credit activities	101,573	94,578
	8,080,293	**7,179,485**
Interest and similar expenses		
Interest expense for deposits	(2,668,693)	(2,601,705)
Interest expense for borrowings from SB and other CIs	(191,561)	(179,182)
Interest expense for valuable papers issued	(477,864)	(231,498)
Other credit activities	(46,964)	(32,242)
	(3,385,082)	**(3,044,627)**
Net interest income	**4,695,211**	**4,134,858**

2. Net gain (loss) from fee and commission

	From 01/01/2020 to 31/03/2020 VND million	*From 01/01/2019 to 31/03/2019 VND million*
Fee and commission income		
Settlement	202,873	167,190
Cash services	2,485	3,107
Income from advisory services	46,772	43,531
Income from business and insurance services	1,152,861	778,147
Income from trustee agency services	8,143	9,648
Income from debt settlement, appraisal and asset management	42,638	67,358
Income from Securities brokerage services	56,375	71,944
Project Transfers	104,299	90,993
Other services	**1,616,446**	**1,231,918**
Fee and commission expenses		
Settlement	(14,883)	(18,790)
Expenses from trustee agency services	(2,537)	(4,498)
Expenses from advisory services	-	(1,329)
Expenses from Securities brokerage services	(208,912)	(57,663)
Cash services	(3,342)	(1,173)
Expenses from business and insurance services	(544,703)	(262,589)
Expenses from debt settlement, appraisal and asset management	(22,392)	(46,017)
Expenses from Securities brokerage services	(11,218)	(12,080)
Other services	(63,573)	(69,132)
	(871,560)	**(473,271)**
Net fee and commission income	**744,886**	**758,647**

3. Net gain/loss from trading of foreign currencies

	From 01/01/2020 to 31/03/2020 VND million	*From 01/01/2019 to 31/03/2019 VND million*
Income from trading of foreign currencies		
Income from spot currencies contracts	360,766	155,861
Income from forward currencies contracts	204,578	214,520
	565,344	**370,381**
Expenses on foreign currencies		
Expenses for spot foreign currencies contracts	(187,332)	(21,935)
Expenses for forward foreign currencies contracts	(218,569)	(228,078)
	(405,901)	**(250,013)**
Net gain/(loss) from trading of foreign currencies	**159,443**	**120,368**

4. Net gain/(loss) from securities held for trading, investment securities and capital contribution and long-term investments

	From 01/01/2020 to 31/03/2020 VND million	*From 01/01/2019 to 31/03/2019 VND million*

Gain/(loss) from securities held for trading		
Income from securities held for trading	55,685	23,731
Expenses for securities held for trading	(26,844)	(50,358)
Expense/Reversal of allowance for diminution in the value of securities held for trading	(44,215)	12,783
	(15,374)	**(13,844)**
Gain/(loss) from investment securities and capital contribution and long-term investments		
Income from investment securities	582,371	154,058
Expenses from investment securities	(42,421)	(4,984)
Reversal of/ expense for allowance for diminution in the value of investment securities	(17,044)	(4,598)
Reversal of expense for allowance for diminution in the value of long-term capital contributions / investments	(9,674)	50,409
	513,232	**194,885**
Net gain/(Loss) from trading securities, investment securities and capital contribution and long-term investments	**497,858**	**181,041**

5. Net gain/loss from other activities

	From 01/01/2020 to 31/03/2020 VND million	*From 01/01/2019 to 31/03/2019 VND million*
Recovery of bad debts previously written off	186,364	238,524
Income from trading and lease of property	2,359	430
Net gain/loss from other financial derivatives	46,015	22,404
Other incomes	5,425	(2,679)
	240,163	**258,679**

6. Income from capital contribution, share purchases

	From 01/01/2020 to 31/03/2020 VND million	*From 01/01/2019 to 31/03/2019 VND million*
Dividends received during the year from capital contribution and share purchase	-	-
Dividends received from securities trading	1,221	728
	1,221	**728**

7. Operating expenses

	From 01/01/2020 to 31/03/2020 VND million	*From 01/01/2019 to 31/03/2019 VND million*
Taxes, duties and fees	18,545	13,548
Salaries and related expenses	1,257,935	1,282,945
Expenditures on assets, instrument & tools	320,934	266,035
- Depreciation and amortization	118,948	*91,670*
- Others	201,986	*174,365*
Expenditures for administration and official purposes	416,596	466,541
- Expenditure for business trip	*27,933*	*24,372*
- Union activities	*1,489*	*818*

- Others	*387,174*	*441,351*
Insurance expense on deposit of customers	36,490	36,616
	2,050,500	**2,065,685**

8. Employee incomes

	For the period from 01/01/2020-31/03/2020 VND million
Average total number of employees during the period (employees)	14,938
Total income	**1,159,905**
Average monthly income	25.88

9. Allowance reserved/(made) for losses

	From 01/01/2020 to 31/03/2020 VND million	*From 01/01/2019 to 31/03/2019 VND million*
Allowance (reversed)/made for loans to CIs	-	-
Allowance for customer credit risk	2,078,803	975,614
Allowance (reversed)/made for other risks	13,822	(11,119)
	2,092,625	**964,495**

10. Obligations to the State Budget

		Changes during the period		
	Opening balance	*Amount payable*	*Amount paid*	*Ending balance*
VAT	56,401	93,081	(105,842)	43,640
Corporate Income Tax	495,839	401,262	(490,871)	406,230
Other taxes	74,600	292,525	(342,252)	24,873
	626,840	**786,868**	**(938,965)**	**474,743**

11. Corporate income tax

11.1. Tax expense

	From 01/01/2020 to 31/03/2020 VND million	*From 01/01/2019 to 31/03/2019 VND million*
Current corporate income tax expense	**407,402**	**469,089**
Current year	407,402	469,089
Expense/reversal of deferred income tax	**5,395**	**22,464**
Expense/reversal of deferred income tax	5,395	22,464
Corporate income tax expense	**412,797**	**491,553**

11.2. Corporate Income Tax

The Bank is obligated to pay corporate income tax of 20% on the total taxable profits.

	31/03/2020 VND million	*31/03/2019 VND million*
Gross accounting consolidated profit before tax	**2,195,657**	**2,424,141**
Adjustments for:		
- Tax-exempt income (including dividends and profits from subsidiaries)	(218,533)	(322,155)
- Non-taxable consolidated adjusted amounts	(29,263)	(42,585)
- Unrecognized deferred tax assets	-	-
- Non-deductible expenses	545	497
Estimated taxable income of the Bank	**1,948,406**	**2,059,898**
Current corporate income tax (20%) of the Bank (i)	389,681	411,980
Corporate income tax of foreign branches (ii)	1,226	7,585
Corporate income tax of subsidiaries (iii)	16,495	49,524
Reversal of deferred tax of subsidiaries (iv)	5,395	22,464
Corporate income tax expenses (i+ii+iii+iv)	**412,797**	**491,553**

12. Cash and cash equivalents

Net cash and cash equivalents shown on the consolidated statement of cash flows include items in the following consolidated balance sheet:

	31/03/2020 VND million	*31/12/2019 VND million*
Cash and cash equivalents in hand	2,253,056	2,344,291
Balances with the SBV	6,746,092	14,329,177
Deposits at credit institutions with original term of not exceeding 3 months	39,044,075	29,338,805
	48,043,223	**46,012,273**

V- OTHER INFORMATION

1. Other significant risk-bearing off-balance sheet activities of the Bank

Item	***31/03/2020 VND million***	***31/12/2019 VND million***
Loan guarantee	**79,294**	**81,864**
LC commitments	**26,117,055**	**21,340,471**
Other guarantees	**74,055,767**	**76,678,646**
Foreign exchange commitments	**215,282,143**	**155,723,464**
+ Foreign exchange purchase commitments	15,077,064	5,949,719
+ Foreign exchange sale commitments	10,457,964	6,416,536
+ Swap purchase commitments	94,936,696	71,691,021
+ Sway sale commitments	94,810,419	71,666,188
Other commitments	**45,479,156**	**42,304,723**

Contingent liabilities and commitments

In the course of business, the Bank provides financial instruments relating to off-balance sheet items in the consolidated financial statement. These financial instruments primarily include guarantee commitments and letters of credit. These instruments also generate credit risk for the Bank in addition to the credit risk presented on the balance sheet.

Credit risk of off-balance sheet financial instruments is defined as the possibility to generate credit risk for the Bank when one of the parties involved in such financial instruments fails to fulfill terms and conditions under the contract.

Financial guarantees are conditional commitments issued by the Bank to its customers to conduct transaction with a third party in the form of loan guarantee, payment guarantee, contract performance guarantee and bidding guarantee. Credit risk relating to guarantees essentially entails the same risk as lending to customers.

Sight letters of credit is the kind of transaction where the Bank provides financing to its customers, usually the buyer / importer, and the beneficiary is typically the seller / exporter. Credit risk entailed in sight letters of credit is usually lower because imported goods are used as collateral for this type of transaction.

For time letters of credit, risks will arise when the contract is performed but the customer fails to pay the beneficiary. Unpaid time letters of credit will be recognized as forced loan by the Bank, and the corresponding liabilities indicate its financial obligation to pay the beneficiary and fulfill the guarantee obligations.

The Bank often requires deposit from customers as collateral for credit-related financial instruments when necessary. Deposit value ranges from 0% to 100% of the offered commitment, depending on customer's creditworthiness rated by the Bank.

2. Transactions with related parties

Transactions with related parties are transactions made with parties related to the Bank, A party is considered to be related party to the Bank if:

(a) The party either directly or indirectly through one or more intermediaries:

- controls or is controlled by, or under general control of the Bank (including holding company, their subsidiaries);
- has capital contributions to the Bank and therefore has significant influence over the Bank;
- has joint control over the Bank;

(b) Related party is a joint venture in which the Bank is a party (see Vietnam Accounting Standard No, 8 - Financial Information of Investments in Joint Ventures);

(c) A member of the party is key personnel in the management board of the Bank or its holding company;

(d) The party is a relative of any individual referred to in point (a) or (c);

(e) The related party is a bank being directly or indirectly controlled, co-controlled or significantly influenced, or subject to voting rights of any individual referred to in point (c) or (d);

Total outstanding receivables and payables of the Bank with major shareholders (holding from 5% of the Bank's charter capital) as at 31 March 2020 are as follows:

Transaction type	*Receivables VND million*	*(Payables) VND million*
Deposits at the Bank	-	(13,897,185)
Loans to the Bank	152,610	-
Valuable papers issued by the Bank	-	-

Total outstanding receivables and payables of the Bank with major shareholders (holding from 5% of the Bank's charter capital) as at 31 December 2019 are as follows:

Transaction type	*Receivable VND million*	*(Payable) VND million*

Deposits at the Bank	-	(15,377,430)
Loans to the Bank	165,312	-
Valuable papers issued by the Bank	-	-

3. *Consolidated segment reporting according to geographical segments*

3.1. The level of geographical concentration of assets, liabilities and off-balance sheet items

Total outstanding loans, total deposits, credit commitments derivatives, securities trading and investment by geographical segment are presented in the following table:

	Total outstanding loans	Total deposits	Letter of credit commitments	Securities trading and investment
Domestic	244,518,271	239,386,627	26,117,055	83,260,671
Foreign	3,461,437	1,350,498	-	-

3.2. Consolidated segment reporting according to geographical segment

31 March 2020	*North* *VND million*	*Central* *VND million*	*South* *VND million*	*Other* *VND million*	*Exclusion* *VND million*	*Total* *VND million*
Assets	291,091,665	33,709,388	90,267,902	4,431,673	(12,697,946)	406,802,682
Liabilities	304,009,296	14,875,675	50,163,515	2,136,365	(8,366,219)	362,818,632
Fixed asset	2,664,094	35,467	95,496	16,178	-	2,811,235
Revenue	16,898,849	1,860,730	3,632,428	127,066	(11,230,180)	11,288,893
Expenses	15,526,793	1,723,995	2,965,757	106,871	(11,230,180)	9,093,236
Profit before tax	1,372,056	136,735	666,671	20,195	-	2,195,657

31 December 2019	*North* *VND million*	*Central* *VND million*	*South* *VND million*	*Other* *VND million*	*Exclusion* *VND million*	*Total* *VND million*
Assets	295,884,242	34,921,306	87,842,200	4,498,564	(11,658,737)	411,487,575
Liabilities	308,042,842	14,932,954	53,978,161	2,136,470	(7,488,666)	371,601,761
Fixed asset	2,690,034	25,221	65,772	17,035	-	2,798,062
Revenue	66,423,566	4,288,310	13,102,873	513,470	(41,725,906)	42,602,313
Expenses	59,234,564	3,784,174	10,808,420	464,942	(41,725,906)	32,566,194
Profit before tax	7,189,002	504,136	2,294,453	48,528	-	10,036,119

3.3. Consolidated report by business sector

	Finance and banking	Securities and Fund management	Insurance	Asset & Liability management	*Exclusion*	Total
	VND million	*VND million*	*VND million*	*VND million*	*VND million*	*VND million*
31 March 2020						
Assets	405,491,543	5,235,741	7,737,384	1,035,960	(12,697,946)	406,802,682
Liabilities	363,097,596	2,829,217	5,053,491	204,547	(8,366,219)	362,818,632
Fixed asset	2,483,684	51,621	231,524	44,406	-	2,811,235
Revenue	20,952,595	249,931	1,243,839	72,708	(11,230,180)	11,288,893
Expenses	18,932,789	237,137	1,092,988	60,502	(11,230,180)	9,093,236
Profit before tax	2,019,806	12,794	150,851	12,206	-	2,195,657
31 December 2019						
Assets	409,304,116	5,237,215	7,487,907	1,117,074	(11,658,737)	411,487,575
Liabilities	370,851,912	3,115,927	4,824,402	298,186	(7,488,666)	371,601,761
Fixed asset	2,469,197	52,298	236,259	40,308	-	2,798,062
Revenue	78,030,098	1,082,944	4,637,467	577,710	(41,725,906)	42,602,313
Expenses	68,907,504	711,589	4,285,362	387,645	(41,725,906)	32,566,194
Profit before tax	9,122,594	371,355	352,105	190,065	-	10,036,119

4. Notes on changes in profit:

Consolidated profit before tax of MB in Quarter I of 2020 decreased by VND **228,484** million compared to Quarter I of 2019, equivalent to **9.43%** due to the following reasons:

Items with material changes	**Profit before tax VND million**
Increase in profit due to increase in net interest income	560,353
Increase in profit due to increase in net income from commission and fee income	(13,761)
Increase in profit due to increase in net income from foreign currencies trading	39,075
Increase in profit due to increase in net gain from trading securities, investment securities and capital contribution and long-term investments	316,817
Decrease in profit due to decrease in net income from other operations	(18,516)
Increase in profit due to increase in income from capital contribution and share purchase	493
Decrease in profit due to increase in operating expenses	15,185
Increase in profit due to decrease in provision expenses	(1,128,130)
Total increase/(decrease) impacting to business results	**(228,484)**

5. Risk management policies related to financial instruments

The Bank's vision is to become a diversified financial group. Therefore, the use of financial instruments, including funding from customers (with deposit products and valuable paper issued) and investments in high quality financial assets has become key activities which help the bank gain necessary interest rate gaps. From risk management perspective, the Bank must maintain the its structure of assets, liabilities and capital (including balance sheet and off-balance sheet items) for the purpose of ensuring prudence and mitigating risk in banking operations. In addition, the Bank also invests in securities or grants credit facilities to other banks. The risks related to currency and interest rate changes are managed through application of position limits to restrict over-concentration and engagement in optimally correlated operations to mitigate risks. A balance sheet of high quality financial instruments will enable the Bank to absorb significant risks during its operations and ensure liquidity. In addition, the Bank also engages in multiple hedging transactions for financial instruments such as foreign currency swaps for the purpose of managing interest rate risk.

In the process of credit risk management, the Bank effectively uses Credit Handbook which provides in details the lending policies and procedures as well as implementation guidance to standardize the Bank's credit activities. Liquidity risk is minimized by holding appropriate amounts of cash and cash equivalents in Nostro account, term deposits at the State Bank and other credit institutions, and valuable papers. Safety ratios taking into account risk factors are also used to manage liquidity risk. The Bank regularly evaluates and benchmarks interest rate gaps to the gaps of the domestic and international markets to make timely adjustments. In addition, the application of internal risk management processes has become more efficient owing to the deployment of the Centralized Capital Management System and Centralized Payment System, whereby Bank's all capital and payment transactions are executed by the Head Office. This allows the Bank to monitor movements in capital and minimize the errors that may occur as well as redundant cumbersome administrative procedures.

5.1 CREDIT RISKS

Credit risks are the intrinsic risk entailed in banks' operations, Credit risk is the possibility of losses due to customers' failure or inability to perform its obligations as committed.

The Bank has maintained credit risk management policy to ensure the following basic principles:

- Establishing an appropriate environment for credit risk management;

- Operating in accordance with a healthy credit granting process;
- Maintaining an appropriate credit management, measurement and monitoring process; and
- Ensuring proper control over credit risk.

The Bank's credit appraisal process is comprised of various levels of approval to ensure independence; at the same time, approval of loans is done based on the credit limit assigned to each competent authorization level. Besides, the Bank's credit approval process also involves the Credit Council to ensure centralized credit approval with the highest quality.

The Bank is applying the internal credit rating system which has been approved by the State Bank as a credit risk management tool, whereby each customer is classified in a specific level of risk. This level of risk can be modified, updated on a regular basis. Customers' credit data and ratings across the system are controlled and managed centrally at the Head Office. This is the basis for the credit granting and service delivery to customers as well as the allowance for loans losses in accordance with regulations.

5.2 MARKET RISKS

5.2.1 Interest rate risks

Effective interest rate re-pricing term is the period from the date of the consolidated financial statements to the next interest re-pricing time of assets and equity.

The following assumptions and conditions are applied in the analysis of the effective interest rate re-pricing of assets and liabilities of the Bank:

- Cash, gemstones; long-term capital contribution and investments and other assets (including fixed assets and other assets) are not subject to interest rate re-pricing;
- Balances at the State Bank of Vietnam is classified as demand deposit so the effective interest rate re-pricing term is up to one month;
- Effective interest rate re-pricing term of investment securities are calculated based on actual time to maturity of each individual stock at the date of the consolidated financial statements;
- Effective interest rate re-pricing term of deposits at and loans to other credit institutions, loans to customers, loans from the Government and State Bank of Vietnam; deposits and borrowings from other credit institutions and customer deposits is determined as follows:

  - Items with a fixed rate throughout their term: Effective interest rate re-pricing term is based on actual time to maturity at the date of the consolidated financial statements.

  - Items with floating interest rates: Effective interest rate re-pricing term is based on the period from the date of the consolidated financial statements to the next interest re-pricing time.

- Effective interest rate re-pricing term of valuable papers issued is based on actual time to maturity of such valuable papers;
- Effective interest rate re-pricing term of funding items entrusted investment and loans where credit institutions bearing the risk is classified into items not subject to interest rate re-pricing;
- Interest rate re-pricing term of other liabilities which are classified into items not subject to interest rate re-pricing.

Classification of assets and liabilities as at 31 March 2020 is as follows:

Unit: VND million

			Interest rate to be re-priced in					
	Overdue by	*Free of interest*	*Up to 1 month*	*From more than 1 - 3 months*	*From more than 3 - 6 months*	*From more than 6 - 12 months*	*Over 1 year*	*Total*
Assets								
Cash, gold and gemstones	-	2,253,056	-	-	-	-	-	2,253,056
Balances with the State Bank	-	-	6,763,149	-	-	-	-	6,763,149
Cash, gold balances with and loans from other credit institutions	-	-	31,516,818	13,206,846	1,195,633	1,873,611	-	47,792,908
Securities held for trading	-	508,688	810,752	-	-	-	-	1,319,440
Financial derivatives and other financial assets	-	-	128,201	-	-	-	-	128,201
Loans to customers (*)	7,367,703	-	80,130,004	118,286,874	17,953,695	18,010,359	6,231,073	247,979,708
Investment securities (*)	50,000	-	4,223,323	13,886,835	2,344,307	8,688,707	52,748,059	81,941,231
Capital contribution & long-term investment (*)	-	1,037,415	-	-	-	-	-	1,037,415
Fixed asset, investment properties	-	2,842,048	-	-	-	-	-	2,842,048
Other Assets (*)	288,510	19,165,271	-	-	-	-	-	19,453,781
Total assets	**7,706,213**	**25,806,478**	**123,572,247**	**145,380,555**	**21,493,635**	**28,572,677**	**58,979,132**	**411,510,937**
Liabilities								
Amounts due to the Government and SBV	-	-	50,755	-	-	-	-	50,755
Deposits and borrowings from other credit institutions	-	-	50,881,519	12,721,472	5,333,608	669,178	134,723	69,740,500
Customer deposits	-	-	116,755,213	38,499,629	39,474,316	33,204,439	12,803,528	240,737,125
Financial derivatives and other financial liabilities	-	-	-	-	-	-	-	-
Borrowed and entrusted funds and risk bearing loan to other CIs	-		-	-	285,007	-	-	285,007
Valuable papers issued	-	-	790,948	3,522,227	7,366,833	18,116,692	1,576,929	31,373,629
Other liabilities (*)	-	20,631,616	-	-	-	-	-	20,631,616
Total liabilities	**-**	**20,631,616**	**168,478,435**	**54,743,328**	**52,459,764**	**51,990,309**	**14,515,180**	**362,818,632**
On-balance sheet interest sensitivity gap	**7,706,213**	**5,174,862**	**(44,906,188)**	**90,637,227**	**(30,966,129)**	**(23,417,632)**	**44,463,952**	**48,692,305**

(*): These items do not include risk provisions,

5.2 MARKET RISKS *(cont,)*

5.2.2 Currency risks

Currency risk is the risk that the value of financial instruments fluctuates due to changes in foreign exchange rates.

The Bank was established and operated in Vietnam with its reporting currency being VND. Transaction currency of the Bank is also VND. In the past year, exchange rate between VND and USD fluctuated in a narrow range. Loans and advances to customers of the Bank are mainly denominated in VND and US dollar. Other foreign currencies assets are mainly denominated in US dollar, partly in Euro and other currencies. The Bank has set limits on positions by currency based on internal system. Currency position is managed on a daily basis and hedging strategies are applied to ensure that the position is maintained within established limits.

Classification of assets and liabilities by currency converted into VND million as at 31 March 2020 as follows:

Unit: VND million

	Converted USD	*Converted EUR*	*Converted other currencies*	*Total*
Assets				
Cash, gold and gemstones	215,593	231,923	75,493	523,009
Balance with the SBV	781,029	-	143,057	924,086
Cash, gold deposits at and loans to other credit institutions	8,084,702	2,885,432	1,094,644	12,064,778
Securities held for trading	-	-	-	-
Financial derivatives and other financial assets	8,862,015	122,441	(1,208,686)	7,775,770
Loans to customers	21,875,095	6,663	616,845	22,498,603
Investment securities	4,716,000	-	-	4,716,000
Capital contribution & long-term investments	-	2,563	-	2,563
Fixed assets and investment properties	14,271	-	1,788	16,059
Other assets	2,464,256	841,569	74,501	3,380,326
Total assets	**47,012,961**	**4,090,591**	**797,642**	**51,901,194**
Liabilities				
Deposits at and borrowing from other CIs	30,281,687	66,775	221,035	30,569,497
Customer deposits	19,089,943	3,792,384	484,242	23,366,569
Financial derivatives and other financial liabilities	-	-	-	-
Other liabilities	387,588	582	21,830	410,000
Total liabilities	**49,759,218**	**3,859,741**	**727,107**	**54,346,066**
On balance sheet currency position	**(2,746,257)**	**230,850**	**70,535**	**(2,444,872)**
Off balance sheet currency position	2,624,388	(224,025)	432,210	2,832,573
On and Off balance sheet currency position	**(121,869)**	**6,825**	**502,745**	**387,701**

5.2 MARKET RISKS *(cont,)*

5.2.3 Liquidity risk

The maturity of assets and liabilities represents time to maturity of the assets and liabilities from the date of the consolidated financial statements to the individual final payment as stipulated in the contract or in the issuance terms and conditions.

The following assumptions and conditions are applied in analyzing maturity period of the Bank's assets and liabilities:

- Balances with the State Bank of Vietnam are classified as demand deposit, which includes required reserves. The required balance of the compulsory reserve depends on the composition and maturity of customer deposits in the Bank.
- Time to maturity of investment securities is based on the maturity date of individual securities.
- Time to maturity of deposits and loans to other credit institutions and customers’ loans are determined based on the contract's maturity date. Actual time to maturity may vary due to renewal of the loan contract.
- Time to maturity of capital contribution or purchase of shares is deemed to be more than five years as these investments do not have defined maturities.
- Deposits and borrowings from other credit institutions and customer deposits are identified based on the nature of these amounts or maturity specified in the contract. Transaction account shall be used to settle transactions upon the request of customers and is a demand deposit account. Time to maturity of loans and term deposits is determined based on contractual maturity dates. In reality, these contracts can be renewed and are effectively maintained for longer terms.
- Time to maturity of the fixed assets is determined based on the time remaining useful life of the asset.

Classification of assets and liabilities as at 31 March 2020 is as follows:

Unit: VND million

		Current					
	Overdue by	*Up to 1 month*	*From more than 1 - 3 months*	*From more than 3 - 12 months*	*From more than 1 - 5 years*	*Over 5 years*	*Total*
Assets							
Cash and gold		2,253,056	-	-	-	-	2,253,056
Balances with the SBV		6,763,149	-	-	-	-	6,763,149
Balances with and loans to other credit institutions - gross		31,554,936	13,227,346	1,802,896	1,207,730	-	47,792,908
Securities held for trading - gross		1,319,440	-	-	-	-	1,319,440
Financial derivatives and other financial assets		128,201	-	-	-	-	128,201
Loans to customers - gross	7,367,703	16,365,005	43,998,056	77,453,052	61,843,776	40,952,116	247,979,708
Investment securities – gross	50,000	150,368	5,401,630	9,443,831	29,543,827	37,351,575	81,941,231
Capital contribution & long-term investment – gross		-	-	-	1,037,415	-	1,037,415
Fixed asset, Investment properties		-	-	-	2,842,048	-	2,842,048
Other Assets – gross	288,510	14,692,390	483,093	2,649,666	365,516	974,606	19,453,781
Total Assets	**7,706,213**	**73,226,545**	**63,110,125**	**91,349,445**	**96,840,312**	**79,278,297**	**411,510,937**
Liabilities							
Amounts due to the Government and SBV	-	50,755	-	-	-	-	50,755
Deposits and borrowings from other credit institutions	-	51,434,019	13,977,772	4,193,986	87,710	47,013	69,740,500
Customer deposits	-	116,755,213	38,499,629	72,678,755	12,782,092	21,436	240,737,125
Financial derivatives and other financial assets	-	-	-	-	-	-	-
Loan granted from others borrowed and entrusted funds	-	268	1,785	12,931	218,614	51,409	285,007
Valuable papers issued	-	90,946	122,500	18,623,422	11,043,046	1,493,715	31,373,629
Other liabilities (*)	-	19,904,231	395,569	328,565	3,251	-	20,631,616
Total Liabilities		**188,235,432**	**52,997,255**	**95,837,659**	**24,134,713**	**1,613,573**	**362,818,632**
Net liquidity gap	**7,706,213**	**(115,008,887)**	**10,112,870**	**(4,488,214)**	**72,705,599**	**77,664,724**	**48,692,305**

(*): Risk provisions excluded,

4. Exchange rates of some currencies at the balance sheet date

	31/03/2020 *VND*	*31/12/2019* *VND*
USD	23,580.00	23,175.00
EUR	25,750.00	26,130.00
GBP	28,772.00	30,393.50
JPY	217.38	213.70
CHF	24,523.50	23,920.00
AUD	14,275.00	16,347.50
CAD	16,687.50	17,837.50
SGD	16,450.00	17,241.50
KHR	5.93	5.87
THB	733.03	751.85
SEK	2,431.89	2,576.93

Prepared by:		**Reviewed by:**	**Approved by:**
(signed)	*(signed)*	*(signed)*	*(signed)*
Ms, Le Thi Huyen Trang Deputy Manager General Accounting and Reporting Department	Ms, Dang Thuy Dung Chief Accountant	Ms, Nguyen Thi Thanh Nga Acting Chief Finance Officer	Mr, Luu Trung Thai Chief Executive Officer

Hanoi, Vietnam
23/04/2020