Military Commercial Joint Stock Bank B02a/TCTD-HN

Address: No, 18 Le Van Luong Street – Cau Giay District – Hanoi

CONSOLIDATED BALANCE SHEET

Quarter III/2022 – 30 Sep 2022

	Note	*30/09/2022*	*31/12/2021*
ASSETS			
Cash, gold and gemstones	**III.1**	**3,135,579**	**3,475,341**
Balances with the State Banks ("SBs")	**III.2**	**12,383,244**	**38,051,039**
Cash and gold deposits at and loans to other credit institutions ("CIs")	**III.3**	**37,194,092**	**35,983,193**
Securities held for trading	**III.4**	**5,904,210**	**7,575,274**
Securities held for trading		5,907,186	7,582,673
Allowance for securities held for trading		(2,976)	(7,399)
Financial derivatives and other financial assets	**III.16**	**216,685**	**274,294**
Loans to customers		**417,061,489**	**354,797,094**
Loans to customers	III.5	426,232,638	363,554,778
Allowance for loans losses to customers	III.6	(9,171,149)	(8,757,684)
Debt purchase	**III.7**	**0**	**1,766**
Debt purchase		3,585	3,585
Allowance for debt purchase losses		(3,585)	(1,819)
Investment securities	**III.8**	**143,279,844**	**128,806,244**
Available-for-sale investment securities	III.8.1	138,232,866	124,551,916
Held-to-maturity investment securities	III.8.2	5,499,307	4,677,084
Allowance for diminution of investment securities		(452,329)	(422,756)
Capital contribution & long-term investment	**III.9**	**552,080**	**803,208**
Investment in associates			**-**
Other long-term investments	III.9.1	668,398	940,840
Allowances for diminution in the value of capital contribution & long-term investments		(116,318)	(137,632)
Fixed asset		**4,412,298**	**4,678,447**
Tangible fixed assets	*III.10*	3,008,546	*3,213,906*
Cost of tangible fixed assets		6,398,385	6,083,517
Accumulated depreciation of tangible fixed assets		(3,389,839)	(2,869,611)
Intangible fixed assets	*III.11*	1,403,752	*1,464,541*
Cost of intangible fixed assets		3,221,863	2,923,616
Accumulated amortization of intangible fixed assets		(1,818,111)	(1,459,075)
Investment property	**III.12**	237,705	**268,999**
Cost of investment properties		250,155	285,300
Depreciation of investment properties		(12,450)	(16,301)
Other assets		**32,426,999**	**32,425,520**
Accrued interest and fee receivables		6,033,103	4,599,328
Deferred Corporate Income Tax assets		15,425	537
Receivables	III.13	21,099,581	23,923,205
Other Assets	III.14	5,525,347	3,961,963
Of which, Goodwill		28,568	*38,090*
Allowance for other on balance sheet assets		(246,457)	(59,513)
TOTAL ASSETS		**656,804,225**	**607,140,419**

Military Commercial Joint Stock Bank B02a/TCTD-HN

Address: No, 18 Le Van Luong Street – Cau Giay District – Hanoi

CONSOLIDATED BALANCE SHEET (cont,)

Quarter III/2022 - 30 Sep 2022

	Note	***30/09/2022***	***31/12/2021***
LIABILITIES			
Amounts due to the Government and State Banks	**III.15**	**23,056**	**262,281**
Deposits and borrowings from other CIs	**III.16**	**63,171,996**	**59,560,384**
Customer deposits	**III.17**	**377,145,234**	**384,692,155**
Derivative financial instruments and other financial liabilities	**III.18**	**-**	**-**
Loan granted from other borrowed and entrusted funds	**III.19**	**2,232,251**	**1,998,703**
Valuable papers issued	**III.20**	**101,773,163**	**66,886,924**
Other liabilities		**36,548,649**	**31,253,949**
Accrued interest and fee payables		6,248,274	5,077,890
Deferred income tax payables		660	-
Other liabilities	III.21	30,299,679	26,176,059
Allowance for others liabilities		36	-
TOTAL LIABILITIES		**580,894,349**	**544,654,396**
SHAREHOLDERS' EQUITY			
Equity and reserves			
Capital	**III.22**	***39,615,017***	***39,318,356***
Charter capital		37,783,218	37,783,218
Premium capital		869,327	869,327
Treasury shares		-	-
Other equity		962,472	665,811
Reserves		**9,320,952**	***7,341,330***
Retained earnings		**23,585,768**	***12,915,149***
NON-CONTROLLING INTEREST		**3,388,139**	**2,911,188**
TOTAL SHAREHOLDERS' EQUITY		**75,909,876**	**62,486,023**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**656,804,225**	**607,140,419**

Military Commercial Joint Stock Bank B02a/TCTD-HN
Address: No, 18 Le Van Luong Street – Cau Giay District – Hanoi

CONSOLIDATED BALANCE SHEET (cont,)
Quarter III/2022 – 30 Sep 2022
CONSOLIDATED OFF-BALANCE SHEET ITEMS

		30/09/2022	***31/12/2021***
I. Contingent liabilities	**V.I**		
1. Loan guarantee		159,116	163,039
2. LC commitments		31,311,251	34,857,504
3. Other guarantee		108,299,139	102,801,455
II. Foreign exchange commitments		252,740,112	248,479,808
4. Foreign currency purchase commitments		9,412,816	*1,734,746*
5. Foreign currency sale commitments		7,085,867	*2,196,936*
6. Swap purchase commitments		118,134,416	*122,347,042*
7. Swap sale commitments		118,107,013	*122,201,084*
III. Other commitments			
8. Other commitments		63,397,831	*61,205,263*
		455,907,449	**447,507,069**

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
Chief Financial Officer

Mr, Luu Trung Thai
Chief Executive Officer

Hanoi, Vietnam
…../…../2022

Military Commercial Joint Stock Bank
Address: No. 18 Le Van Luong Street, Cau Giay District, Hanoi

B03a/TCTD-HN

CONSOLIDATED STATEMENT OF INCOME

Quarter III/2022 - 30 Sep 2022

	Notes	*Accruals on Quarter III*		*Accumulative from the beginning of the year to the end of Quarter*	
		Current year	*Previous year*	*Current year*	*Previous year*
		VND million	*VND million*	*VND million*	*VND million*
Interest and similar income		13,038,154	9,588,708	37,182,142	28,237,111
Interest and similar expenses		(3,999,525)	(3,073,514)	(10,788,622)	(9,207,345)
Net interest income	**IV.1**	**9,038,629**	**6,515,194**	**26,393,520**	**19,029,766**
Fee and commission income		3,331,326	2,638,414	10,659,800	8,489,217
Fee and commission expenses		(2,547,030)	(1,712,025)	(7,747,941)	(5,467,274)
Net fee and commission income	**IV.2**	**784,296**	**926,389**	**2,911,859**	**3,021,944**
Net gain/(loss) from trading of foreign currencies	**IV.3**	**401,834**	**356,486**	**1,340,482**	**914,917**
Net gain/(loss) from trading securities	**IV.4**	**1,472**	**143,062**	**135,510**	**162,669**
Net gain/(loss) from investment securities and long-term capital contributions/investments	**IV.4**	**169,412**	**264,827**	**1,242,868**	**1,264,789**
Net other income	**IV.5**	**585,491**	**486,373**	**1,690,170**	**2,346,330**
Income from capital contribution and share purchase	**IV.6**	**5,116**	**7,846**	**126,787**	**77,228**
TOTAL OPERATING INCOME		**10,986,250**	**8,700,177**	**33,841,196**	**26,817,643**
TOTAL OPERATING EXPENSES	**IV.7**	**(3,728,778)**	**(3,023,715)**	**(11,187,215)**	**(8,914,448)**
Net operating profit before allowance and provision expenses		**7,257,472**	**5,676,460**	**22,653,982**	**17,903,194**
Allowance and provision expense	**IV.9**	**(961,967)**	**(1,778,158)**	**(4,462,291)**	**(6,018,625)**
TOTAL PROFIT BEFORE TAX		**6,295,505**	**3,898,303**	**18,191,691**	**11,884,569**
Current corporate income tax expense		(1,258,526)	(763,340)	(3,649,145)	(2,368,516)
Deferred corporate income tax expense/(income)		(2,077)	(12,750)	12,617	2,989
Current period corporate income tax expense	**IV.11**	**(1,260,603)**	**(776,090)**	**(3,636,528)**	**(2,365,527)**
NET PROFIT AFTER TAX		**5,034,902**	**3,122,213**	**14,555,163**	**9,519,042**
Minority Interest		**155,709**	**100,037**	**506,559**	**348,031**

NET PROFIT AFTER TAX		**4,879,193**	**3,022,176**	**14,048,604**	**9,171,011**

Prepared by
(signed)
Ms, Le Thi Huyen Trang
Deputy Head of General Accounting and Reporting Department
Hanoi, Vietnam
…../..…/2022

(signed)
Ms, Dang Thuy Dung
Chief Accountant

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

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

Military Commercial Joint Stock Bank
Address: No. 18 Le Van Luong Street, Cau Giay District, Hanoi

STATEMENT OF CASH FLOWS (direct method)
Quarter III/2022 - 30 Sep 2022

	Notes	*Period from 01/01/2022 to 30/09/2022*	*Period from 01/01/2021 to 30/09/2021*
		VND million	*VND million*
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar incomes received		35,795,146	27,214,333
Interest and similar expenses paid		(9,762,979)	(8,916,946)
Net fee and commission income received		2,911,859	3,021,944
Net receipts/(payments) from trading activities (foreign currencies, securities)		2,816,822	2,429,301
Other incomes/(expenses)		452,535	335,105
Proceeds from loans previously settled/written off		1,235,733	2,007,664
Payment to employees and for other administrative activities		(10,719,731)	(8,694,479)
Corporate income tax paid during the period	IV.10	(2,160,836)	(1,543,656)
Net cash flows from operating activities before changes in operating assets and liabilities		**20,568,552**	**15,853,267**
Changes in operating assets		***(72,078,767)***	***(69,067,703)***
(Increase)/decrease in balances with and loans to other CIs		5,829,099	(2,300,776)
(Increase)/decrease in trading securities, investment securities		(12,827,686)	(20,609,576)
Increase/(decrease) in derivatives and other financial instruments		57,609	(182,665)
(Increase)/decrease in loans and advances to customers		(62,677,860)	(38,133,489)
Decrease in allowance for impairment (credit, securities and investments)		(3,874,575)	(2,958,483)
(Increase)/decrease in other assets		1,414,646	(4,882,714)
Changes in operating liabilities		***31,009,158***	***50,495,038***
Increase/(decrease) in amounts due to the Government and State Banks		(239,225)	-
Increase/(decrease) in deposits and borrowings from other credit institutions		3,611,612	15,039,724
Increase/(decrease) in deposits from customers		(7,546,921)	33,015,675
Increase/(decrease) in bonds and valuable papers issued		32,966,239	3,393,737
Increase/(decrease) in other borrowed and entrusted funds		233,548	1,493,392
Increase/(decrease) in financial derivatives and other financial assets		-	-

	Notes	*Period from 01/01/2022 to 30/09/2022*	*Period from 01/01/2021 to 30/09/2021*
		VND million	*VND million*
Increase/(decrease) in other liabilities		2,185,087	(2,090,511)
Utilization of reserves		(201,182)	(356,978)
Net cash flows from operating activities		**(20,501,057)**	**(2,719,398)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for purchases of fixed assets		(786,105)	(811,383)
Receipts/(Payments) from disposals of fixed assets		1,903	3,561
Income/(expense) from investment properties		270,923	9,079
Proceeds/(payments) from long-term investment, capital contribution		126,787	77,228
Cash dividend received during the period		-	-
Net cash flows from investment activities		**(386,492)**	**(721,515)**
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in share capital		1,920,000	-
Dividends paid to shareholders		-	-
Treasury shares sell/(purchase)		-	-
Net cash flows from financing activities		**1,920,000**	**-**
Net cash flows during the period		**(18,967,550)**	**(3,440,913)**
Opening balance of cash and cash equivalents		**65,670,751**	**62,326,334**
Closing balance of cash and cash equivalents	**IV.12**	**46,703,201**	**58,885,421**

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 Chief Financial Officer	Mr, Luu Trung Thai Chief Executive Officer

Hanoi, Vietnam
….../…../2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

QUARTER III/2022

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
Ms. Nguyen Thi Thuy	Member
Ms. Nguyen Thi Ngoc	Member
Mr. Le Viet Hai	Member
Mr. Kieu Dang Hung	Member
Ms. Vu Thai Huyen	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. Nguyen Thi An Binh	Vice Head of Supervisory Board
Mr. Do Van Hung	Member
Ms. Do Thi Tuyet Mai	Member
Ms. Pham Thu Ngoc	Member (resigned on 25/04/2022)

5. Composition of Board of Management

Full name	*Date of appointment*
Mr. Luu Trung Thai	Chief Executive Officer
Ms. Nguyen Minh Chau	Deputy Executive Officer
Ms. Pham Thi Trung Ha	Deputy Executive Officer
Mr. Tran Minh Dat	Deputy Executive Officer
Mr. Ha Trong Khiem	Deputy Executive Officer
Mr. Le Quoc Minh	Deputy Executive Officer
Mr. Le Xuan Vu	Executive Member of BOM
Ms. Tran Thi Bao Que	Executive Member of BOM
Mr Pham Nhu Anh	Executive Member of BOM
Mr Vu Hong Phu	Executive Member of BOM
Mr Vu Thanh Trung	Executive Member of BOM
Mr.Nguyen Xuan Hoc	Executive Member of BOM (from 14/3/2022)
Ms, Nguyen Thi Thanh Nga	Chief Financial Officer

6. Head Office: No. 18 Le Van Luong Street, Cau Giay District, Hanoi, Vietnam

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 2022, 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	79.42%
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%

The Bank and subsidiaries hereunder are collectively called "MB".

7. Total number of employees

As at 30 Sep 2022, the Bank and its subsidiaries have **16,037** employees.

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).

Accordingly, the accompanying interim consolidated financial statements and their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the interim consolidated financial position and results of interim consolidated operations and interim consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

Items or balances that are not shown in these interim consolidated financial statements as required by Decision No. 16/2007/QD-NHNN dated 18 April 2007 and amending and supplementing regulations of Decision No. 16/2007/QD-NHNN indicate nil balance.

3. Consolidation of financial statements

The interim consolidated financial statements comprise the interim financial statements of the Bank and its subsidiaries for the nine-month period ended 30 Sep 2022.

Subsidiaries are fully consolidated from the acquisition date, on which the Bank obtains control and continue to be consolidated until the Bank terminates the control.

The interim financial statements of the Bank and its subsidiaries are prepared for the same reporting period, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interest represents the portion of net results of operations and net assets not owned, by MB and are presented separately in the interim consolidated income statement and within equity in the interim consolidated balance sheet.

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.

5. Changes in accounting policies and disclosures

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 Dec 2021.

6. Cash and cash equivalent

Cash and cash equivalents include cash, deposits at the SBV, treasury bills and other short-term valuable papers eligible for rediscounting with the SBV, securities, demand deposits and cash Deposits at other credit institutions with maturities of no more than three months from the date of occurrence, high liquidity, easily convertible into specified amounts of money and without much risk in converting to money.

7. Deposit and loans to other credit institutions

Deposits with and loans to other credit institutions are stated and presented at the principal balance at the balance sheet date.

The credit risk classification for deposits with and loans to other credit institutions and corresponding provisions are made in accordance with Circular No.11/2021/TT-NHNN dated July 30, 2021 provides for the classification of assets, the level of deduction, methods of setting up risk provisions and the use of provisions to deal with risks in the operations of credit institutions, foreign bank branches ("Circular 11/2021"). Accordingly, MB makes specific provisions for deposits (excluding demand deposits) and loans to other credit institutions in accordance with the method described in Note 9.

According to Circular 11/2021, MB is not required to make a general provision for deposits with and loans to other credit institutions.

8. 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.

Provisions for credit losses on loans to customers are recognized and presented in a separate line on the consolidated balance sheet.

Short-term loans are those with a repayment date of less than 1 year from the disbursement date. Medium-term loans are for the maturity from 1 year to 5 years from the date of disbursement. Long-term loans have maturity of more than 5 years from the date of disbursement.

The classification of debts and provision for credit losses are made in accordance with Circular 11/2021 as described in Note 9.

9. Allowance for credit risk

Loan classification

MB classifies debts according to the risk levels as follows: Qualified loan, Special mention loan, Sub-standard loan, Doubtful loan and irrevocable loan as prescribed in Circular 11/2021. Loans that are classified as Sub-standard loan, Doubtful loan and irrecoverable loan are considered nonperforming loans.

Debts are classified according to both quantitative and qualitative methods specified in Articles 10 and 11, Circular 11/2021. Accordingly, in case the results of classifying a debt under Article 10 and Article 11 are different, the debt must be classified into the group with a higher level of risk.

► In case a customer has more than one debt to MB and any debt is converted to higher-risk debt group, MB classifies the remaining debts of that customer into the group of higher-risk liabilities corresponds to the level of risk.

► MB must use the results of debt group classification for customers provided by the Credit Information Center ("CIC") at the time of classification to adjust the results of self-classification of debts and off-balance sheet commitments.

► MB also applied regulations on rescheduling debt term and keeping the same group of debts for debts that meet the requirements of Decree No. 55/2015 / ND-CP ("Decree 55/2015 ") June 9, 2015 on credit policy for agricultural and rural development and documents amending and supplementing Decree 55.

► MB also applies regulations on rescheduling debt repayment and keeping the debt group unchanged for loans that meet the requirements of Circular 01/2020-TT-NHNN ("Circular 01/2020") issued by the SBV on March 13, 2020 and Circular 03/2021/TT-NHNN (Circular 03/2021) amending and supplementing a number of articles of Circular No. 01/2020, issued by the SBV on 02 April 2021, Circular 14/2021/TT-NHNN (Circular 14/2021) amending and supplementing a number of articles of Circular No. 01/2020 issued by the State Bank on September 7, 2021 on regulations on Credit institutions and foreign bank branches restructure debt repayment terms, exempt or reduce interest and fees, and maintain debt groups in order to support customers affected by the Covid-19 pandemic.

Specific provisions

Specific allowance as at 30 Sep 2022 is determined by the outstanding balance after deducting the value of the deducted collateral multiplied by the rate of provision according to the result of loan group classification.

Specific provisions rate for each debt group are as follows:

Loan group		Loan classification according to quantitative method	Loan classification according to qualitative method	Provision rate
1	Standard loan	(a) Loans are in due date and assessed as capable of fully recovering both principal and interest on time; or (b) Loans which are overdue for less than 10 days and assessed as capable of fully recovering overdue principals and interests and fully recovering any remaining principal and interest on time. (c) Debts classified into group 1 according to the provisions of Clause 2, Article 10 of Circular 11/2021.	Loans are assessed as having the ability to fully recover both principal and interest on time.	0%
2	Special mention loan	(a) Loans being overdue between 10 days and 90 days; or (b) Loans which the repayment term is adjusted for the first time. (c) Debts classified into group 2 according to the provisions of	Loans are assessed as fully recoverable, both principal and interest, but there are signs of deterioration of customers' ability to repay.	5%

Loan group		Loan classification according to quantitative method	Loan classification according to qualitative method	Provision rate
		Clause 2, Clause 3, Article 10 of Circular 11/2021.		
3	Sub-standard loan	Loans which are overdue from 91 days to 180 days; or (b) Loans which are extended for the first time; or (c) Loans which interests are exempted or reduced due to customers' inability to pay all interests under credit contracts; or (d) Loans in one of the following cases have not been recovered for a period of less than 30 days from the date of recovery decision: • Loans violating the provisions of Clauses 1, 3, 4, 5, 6, Article 126 of the Law on credit institutions; or • Loans violating the provisions of Clauses 1, 2, 3, 4, Article 127 of the Law on credit institutions; or • Loans violating the provisions of Clauses 1, 2, 5, Article 128 of the Law on credit institutions. (e) Loans during the recovery period according to inspection conclusions. (f) Debts are classified into group 3 according to the provisions of Clause 2, Clause 3, Article 10 of Circular 11/2021.	Loans which are assessed as incapable of fully recovering both principal and interest when due and potentially loss.	20%
4	Doubtful loan	(a) Loans being overdue from 181 days to 360 days; or (b) Loans which the repayment terms are restructured for the first time but still overdue for a period of less than 90 days under that first restructured repayment term; or (c) Loans which the repayment terms are restructured for the second time; or (d) Loans which are specified in point (d) of debt Group 3 have not been recovered for a period of between 30 days and 60 days after decisions on recovery have been issued; or (e) Loans which must be recovered according to inspection conclusions but still overdue for a period of 60 days past the recovery period according to inspection conclusions. (f) Debts are classified into group 4 according to the provisions of	Loans are assessed as having high potential for losses.	50%

Loan group		Loan classification according to quantitative method	Loan classification according to qualitative method	Provision rate
		Clause 2, Clause 3, Article 10 of Circular 11/2021.		
5	Irrecoverable loan	(a) Loans being overdue for more than 360 days; or (b) Loans which the repayment terms are restructured for the first time but still overdue for a period of 90 days or more under that first restructured repayment term; or (c) Loans which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Loans which the repayment terms are restructured for the third time or more, regardless of being overdue or not; or (e) Loans which are specified in point (d) of Loan Group 3 have not been recovered for a period of more than 60 days after decisions on recovery have been issued; or (f) Loans which have been receivable according to inspection conclusions but still overdue for more than 60 days after the recovery period according to inspection conclusions; or (g) Loans of customers being credit institutions announced by the State Bank to place under special control, or foreign bank branches where capital and assets are frozen. (h) Debts are classified into group 5 according to the provisions of Clause 2, Clause 3, Article 10 of Circular 11/2021.	Loans are assessed as no longer recoverable, losing capital.	100%

The basis for determining the value and deductible value of each type of collateral is specified in Circular 11/2021.

MB makes specific provision for customers whose repayment term is restructured, interest exempted or reduced in accordance with Circular 03 as follows:

- Determine the specific amount of provision to be deducted for all outstanding loans of customers according to the results of debt classification according to Circular 11/2021: A
- Determine the specific provision amount for the outstanding balance of the debt group to be kept unchanged according to Circular 03/2021 and for the remaining balance of the customer according to Circular 11/2021: B
- Specific provision for additional deduction C equal to the difference A - B is made as follows:

  + As of March 31, 2021: At least 30% of the specific provision must be additionally deducted;

  + As of December 31, 2022: At least 60% of the specific provision must be made additional;

  + As of December 31, 2023: 100% of the specific provision must be additionally deducted.

General provisions

General allowance as at 30 Sep 2022 is equal to 0.75% of the total balance as at 30 Sep of all liabilities minus deposits and loans to other credit institutions and debts classified into the group of potentially losing capital.

Handling credit risks

Provisions are recognized as an expense on the separate statement of income and are used as a provision to deal with risks. According to Circular 11/2021, MB established a Risk Settlement Committee to decide/approval the use of provisions to deal with risks for debts classified into group 5, or if the borrower is an organization that is dissolved, goes bankrupt, or dead or missing individual.

10. Debt purchase and sale activities

MB's debt purchase and sale is recognized in accordance with Circular No. 09/2015/TT-NHNN ("Circular 09/2015") of the State Bank on debt purchase and sale activities of credit institutions. use, foreign bank branches.

► The carrying amount of a debt purchased and sold includes the carrying amount of the book value of the principal balance, interest balance of the debt and other financial obligations related to the debt (if any) up to the date of debt purchase and sale. for debts being recorded on the on-balance sheet and off-balance sheet; or on the books at the time of off-balance sheet payment or at the time of debt purchase and sale, for debts already paid off the balance sheet.

► Debt purchase and sale price is the amount of money the debt purchaser must pay to the debt seller under a debt purchase and sale contract.

Debt purchase activities

For purchased debts, MB classifies the amount paid to buy debt into the group with a risk level not less than the group in which the debt was classified prior to the purchase. Debt classification and provisioning for debt purchases are made similar to loans to other customers according to Circular 11/2021.

► Contractual debt purchase price is recorded in the on-balance sheet.

► The value of the principal and interest of the debt purchased is monitored off-balance sheet.

► If the debt interest is collected including the interest before MB purchased the debt, MB shall allocate the interest according to the following principles: (i) write down the value of the debt purchase the advance amount. when buying; (ii) recognized as the interest income of the period after the Bank buys debt.

Debt sale

Sales and expenses for debt sale are recognized in accordance with Circular No. 09/2015. Under the guidance in Circular No. 09/2015, the difference between the debt purchase and sale price and the debit book value of the debt seller is handled as follows:

► For debts being recorded on the balance sheet:

- If the selling price is higher than the carrying amount of the debt, the higher difference will be recorded into MB's income during the period.

- In case the selling price of debt is lower than the value of the debt, the lower difference shall be offset from the indemnity of individuals or collectives (in case the loss has been determined by the individual or collective and must compensate in accordance with regulations), the insurer's insurance money and the risk reserve fund have been appropriated in the year, the deficit is recorded into MB's business expenses during the year.

► For debts on off-balance sheet track, debts are out of the balance sheet, the proceeds from the sale of debts are recorded into other income of MB.

11. Securities held for trading

Trading securities are debt securities, equity securities and other securities purchased for trading purposes. Trading securities are initially recognized at cost.

Listed trading debt securities are recognized at cost less allowance for impairment of securities determined on the rate of return listed on the Hanoi Stock Exchange at the balance sheet date.

Corporate bonds that are not listed on the stock market or registered for trading in the transaction market of unlisted public companies will be made a risk provision according to Circular 11/2021 presented in Note 9.

Equity securities are recognized at cost in the subsequent holding period. Periodically, equity securities are allowed to establish a provision for impairment when their carrying amount is higher than the market value. In the event that the market value of securities cannot be determined, an allowance will not be made for securities. Provision for impairment is recognized in the consolidated income statement in the item "Net gain / (loss) from trading securities".

Gains or losses from sales of trading securities are recognized in the consolidated statement of income. Trading securities are derecognised when the rights to receive cash flows from these securities have expired or MB has transferred substantially all risks and rewards of ownership.

12. Investment securities

12.1 Available - for- sale securities

Available-for-sale securities include debt and equity securities listed on securities markets held by MB for the investment and available-for-sale purposes, not regularly traded but can be sold when there is a benefit.

Available-for-sale equity securities are initially recognized at cost at the purchase date and continuously presented at cost in subsequent periods.

Available-for-sale debt securities are recognized at par value at the transaction date. Accrued interest (for debt securities with interest payment in arrears) and deferred interest (for debt securities with interest payment in advance) is recognized in a separate account. Discount/premium, which is the difference between the cost and the amount being the par value plus (+) accrued interest (if any) or minus (-) deferred interest (if any) is also recognized in a separate account.

In subsequent periods, these securities are continuously recorded at par value, and the discount/premium (if any) is amortized to the interim consolidated income statement on a straight-line basis over the remaining terms of securities. The interest received in arrears is recorded as follows: Cumulative interest incurred before the purchase date is recorded as a decrease in the accrued interest; cumulative interest incurred after the purchase date is recognized as income based on the accumulated method. The interest received in advance is amortized into the securities investment interest income on a straight-line basis over the terms of the securities investment.

Available-for-sale securities are subject to impairment review on a periodical basis.

Provision for diminution in value of securities is made when the carrying value is higher than the market value. In case market prices of securities are not available or cannot be determined reliably, no provision is required. Provision is recognized in the "Net gain/(loss) from investment securities and long-term investments" of the interim consolidated income statement.

Provision for credit losses of corporate bonds which are not listed on the stock market or not registered on the unlisted public company market is made in accordance with Circular 11/2021 as described in Note 9.

12.2 Held-to-maturity investment securities

Held-to-maturity securities are debt securities purchased by MB for investment purpose to earn interest and MB has the intention and ability to hold these securities to maturity. Held-to-maturity securities have determinable value and specific maturity date. In the event that securities are sold out before maturity, these securities will be reclassified to trading securities or available-for-sale securities.

Held-to-maturity securities are recognized and measured in the same way as available-for-sale investment securities are presented in Note 11.1.

13. Other long-term investments

Other long-term investments and capital contributions represent equity investments in other entities where MB has a maximum of 11% voting rights and not listed on the stock market. These investments are recorded at cost at the investment date.

Provision for diminution in value of long-term investments is made in the event of strong evidence of impairment of the investments by the balance sheet date.

An allowance is reversed when the investment's recoverable value increases again after the allowance has been made. An allowance is reversed to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognized.

Increase or decrease in the reserve account balance is recognized in the item “Net gain / (Loss) from trading of investment securities and long-term investments” in the consolidated income statement.

14. Fixed asset

Fixed assets are stated at cost less accumulated amortization or amortization.

Historical cost of a fixed asset is all of the expenses that MB has to pay to acquire the fixed asset up to the time the asset is put into its ready-for-use state.

Acquisition, upgrading and renewal of fixed assets is recorded as an increase in the historical cost of fixed assets; Maintenance, repair and other related costs are charged to the consolidated income statement when incurred.

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off and any gain / loss arising from the disposal of the asset (which is the difference between the net proceeds from the sale of the asset. residual value of assets) is recognized in the consolidated income statement

15. 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	3-7 years
Means of transportation	6 years
Land use rights	30-50 years
Other tangible fixed assets	3-4 years
Computer software	3 years
Other intangible assets	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.

16. Investment property

Real estate investment for rent

Investment property held to earn rental is stated at cost less accumulated depreciation. Initial cost of rental investment property includes the purchase price, the cost of land use rights, and the costs directly attributable to bringing the property to the condition necessary for it to function as expected. Expenditure incurred after investment property has been put into operation, such as repair and maintenance costs, is charged to the consolidated income statement for the period in which these expenses are incurred. In cases where it can be clearly demonstrated that these costs increase the expected future economic benefits obtained from rental investment property above standard operating levels as assessed initially, these costs are capitalized as an additional cost of rental investment property.

Amortization is computed on a straight-line basis over the estimated useful lives of investment property. The estimated useful life of land use rights and attached assets is 39 years and 20 years.

Investment property held to wait for price increases

Investment property held for an increase is stated at cost less impairments in value at its market value. The carrying amount of investment property held for appreciation is reduced if there is evidence that the market value of the investment property falls below its carrying amount and its value losses can be reliably determined. Record of decrease in value of investment property held for appreciation is recognized in the consolidated income statement.

17. Receivables

17.1 Receivables are classified as credit-risk assets

Receivables classified as credit-risk assets are recorded at cost and are classified by MB and made provision for risks in accordance with Article 10, Circular 11/2021 as possible presented in Note 9.

17.2 Others Receivables

Other receivables that are not classified as credit risk assets are stated at cost and subsequently presented at cost in the following periods.

Receivable debts are considered for setting up a risk reserve based on the principal overdue debt age of the debts or according to the expected loss that may occur in case of undue debt but the economic organization has destroyed property, has fled from the place of business; a debtor is prosecuted, detained or tried by law enforcement bodies, is serving a sentence or has died, or a debt for which judgment has been requested but cannot be performed because the debtor has fled the place. resident; the debt has been sued for debt collection but the settlement of the case has been suspended. Provision expense is recognized in item "Expenses for risk provision" in the income statement.

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%

18. Prepaid expenses and pending expenses

Prepayment includes short-term prepayments or long-term prepayments on the consolidated balance sheet and is amortized over the period of prepayment or the time when corresponding economic benefits are generated out from these costs.

19. Business consolidation and goodwill

Business combinations are recognized using the purchase price method. The cost of a business combination includes the fair value at the exchange date of the exchanged assets, incurred or acknowledged liabilities and equity instruments issued by the purchaser for exchange take control of the acquiree and costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at fair values at the date of business combination.

Goodwill arising from a business combination is initially recognized at cost, which is the difference between the cost of the business combination and the buyer's share in the fair value of an asset or liability, identifiable payments and contingent liabilities recorded. If the cost of the business combination is lower than the fair value of the net assets of the acquiree, the difference will be recognized in the consolidated income statement. Goodwill is valued at cost less accumulated amortization after initial recognition. Goodwill is amortized on a straight-line basis over its estimated useful lives of ten (10) years.

20. Repurchase and resale contract

Securities sold and committed to repurchase at a certain time in the future are still recognized in the consolidated financial statements. Amounts received under this agreement are recognized as a loan on the consolidated balance sheet and the difference between the selling and buying price is amortized on the straight-line basis over the interest rate in the statement. Report the consolidated business results during the effective term of the contract.

Securities purchased under the same commitment to resell at a certain time in the future are not recognized in the consolidated financial statements. Settlement under this agreement is recognized as a loan on the consolidated balance sheet and the difference between the sale and purchase price is amortized on a straight-line basis over the interest rate in the statement. Report the consolidated business results during the effective term of the contract.

21. Rent property

Determining whether an agreement is a lease is based on the nature of the agreement at the time of inception: whether its execution is contingent on the use of a given asset and Does the agreement include a provision on the use of the property.

Lease agreements are classified as financial leases if the lessor transfers most of the risks and benefits associated with the ownership of the property to the lessee according to the lease. All other leases are classified as operating leases.

In the case that MB is the lessee

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

In the case that MB is the lessor

Assets under operating leases are recognized as fixed assets on the consolidated balance sheet. Initial direct costs to negotiate an operating lease are recognized in the consolidated income statement when incurred.

Lease income is charged to the consolidated income statement on a straight-line basis over the lease term.

22. Debt owed to the Government and the State Bank

Debts to the Government and the State Bank are stated at cost.

23. Deposits from other credit institutions, deposits from customers, issuance of valuable papers and funding funds, investment trusts, loans to credit institutions at risk

Deposits with other credit institutions, customers, valuable papers and financing, trust financing, and loans at risk credit institutions are announced and presented by number Principal balance at the balance sheet time. At the time of initial recognition, issue costs of bonds are reduced to a decrease in the original balance of the bonds. MB shall amortize these expenses into "Interest expenses and similar expenses" using the straight-line method in accordance with the term of valuable papers.

24. Foreign currency transactions

According to the Bank's accounting system, all MB transactions are recorded in original currencies. At the end of a fiscal year, assets and liabilities denominated in foreign currencies are converted into VND at the exchange rate as at the date of the consolidated balance sheet date (Note V.6). MB's foreign currency income and expenses are converted into VND at the exchange rate on the transaction date. Foreign exchange differences due to revaluation of assets and liabilities denominated in foreign currencies into VND during the year are recognized in the consolidated income statement.

25. Payables and accruals

Payables and accruals are recognized for the amount payable in the future related to goods and services received regardless of whether or not MB has received the supplier's invoice.

26. Secured warrant

Secured option securities are securities with collateral issued by MB Securities Joint Stock Company, a member of MB, allowing the holder to purchase underlying securities from a warrant issuer. that is at a predetermined price, at or before a fixed time, or receives the difference between the strike price and the underlying security price at the execution time.

Covered warrants are initially recognized at cost and continue to be recognized after the initial recognition at fair value in the item “Other payables and liabilities”.

Differences resulting from revaluation of secured buying warrants at fair value compared to the previous period are recognized in the consolidated income statement on net item “Gain/(loss) from sales securities trading".

Expenses for buying and issuing warrants are recognized in the consolidated income statement as soon as incurred.

27. Professional insurance reserves

The establishment of insurance reserves is done according to the methods specified in Circular No. 50/2017/TT-BTC dated May 15, 2017 of the Ministry of Finance guiding the financial regime for insurance enterprises insurance, reinsurance businesses, insurance brokers and branches of foreign non-life insurance enterprises (“Circular 50/2017”). Specifically, the method of setting up provisions is as follows:

27.1 Unearned premium reserve

Unearned premium reserve for insurance and reinsurance contracts with a term of 1 year or less is established as a percentage of the total premium, specifically:

► For cargo insurance transported by road, sea, inland waterways, rail and air: equal to 25% of the total premium in the fiscal year of this insurance operation.

► For other non-life insurance lines: equal to 50% of the total premium in the fiscal year of this line of insurance.

► For life insurance: allowance for unearned premiums calculated on gross premium for all policies with a term of one (1) year or less in effect on the date Report.

Unearned premium reserve for insurance and reinsurance contracts with a term of more than 1 year:

► For non-life insurance transactions: Unearned premium reserve will be calculated according to the following formula:

$$\text{Unearned premium reserve} = \frac{\text{Premium * Remaining insurance days of insurance and reinsurance contracts}}{\text{Total number of insurance days under insurance and reinsurance contracts}}$$

27.2 Mathematical reserve

A provision for a life transaction that is calculated as the difference between the present value of future insurance claims and the present value of the Zillmer adjusted net premiums for future insurance premiums. The mathematical reserve is calculated for policies with a term of more than one (1) year with specific insurance calculation formulas and factors for each product type registered and accepted by the Ministry of Finance. The maximum valuation interest rate is calculated according to the average interest rate of Government bonds according to the formula specified in Circular 01/2019/TT-BTC.

27.2 Compensation reserve

The compensation reserve includes the provision for claims for losses that have been announced but not yet settled at the end of the period and the compensation reserve for unclaimed losses arising from the insurance liability.

► Compensation reserve for claimed but unresolved losses at the end of the year is determined based on the estimate of each claim under the insurance liability that has been notified to the insurance company or the customer compensation claims but not yet settled at the end of the period;

► Provision for indemnification for losses incurred but not yet announced or claimed ("IBNR") is deducted in accordance with Circular 50.

Provisions for claims of original and reinsurance business are recorded as a liability; provision for reinsurance ceded claims is recorded in "Other external receivables".

27.3 Large redundancy fluctuations

Large fluctuating provisions are made each year until the provision reaches 100% of the retained premium in the fiscal year and is established on the basis of 1% of the retained premium as prescribed in Circular 50/2017.

On December 28, 2005, the Ministry of Finance issued Decision No. 100/2005/QD-BTC promulgating four new accounting standards ("CMKT"), including Accounting Standard No.19 on co-insurance. Accordingly, since January 2006, a large fluctuating provision is not required as it reflects "claims that did not exist at the time of the financial statements". However, because the Ministry of Finance has not yet specifically instructed the application of Accounting Standards No. 19 and in accordance with Decree No. 73/2016/ND-CP issued by the Government on July 1, 2016, detailing the implementation of the Law on Insurance Business and the Law amending and supplementing a number of articles of the Law on Insurance Business ("Decree 73"), MB still makes a large fluctuation provision in its Consolidated financial statements for the year ended 31 March 2021.

28. Equity capital and funds

28.1 Common shares

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognized as a deduction from share premium in equity.

28.2 Shares premium

Upon receipt of capital from shareholders, the difference between the issue price and par value of the security is recognized in share premium in equity.

28.3 Funds of credit institution

MB makes appropriations to funds after there is a decision of the General Meeting of Shareholders or the respective owners.

(i) Bank's fund

Funds are used for specific purposes and are extracted from the Bank's profit after tax based on the prescribed ratios and the Resolution of the General Meeting of Shareholders:

- Reserve fund for supplementing charter capital: 5% of profit after tax, not exceeding the Bank's charter capital;
- Financial reserve fund: 10% of profit after tax;
- Other funds: deducted in accordance with current regulations and resolutions of the General Meeting of Shareholders.

(ii) Subsidiaries fund

Debt Management and Asset Management Company Military Commercial Joint Stock Bank ("MB AMC")

MB AMC sets up the bonus and welfare fund according to the owner's decision.

MB Securities Joint Stock Company ("MBS") and MB Investment Fund Management Joint Stock Company ("MB Capital")

MBS and MB Capital establish compulsory reserve funds in accordance with Circular No. 146/2014/TT-BTC guiding the financial regime for securities companies and fund management companies issued by the Ministry of Finance on 6th October 2014 is as follows:

	Annual deduction rate	*Maximum balance*
Reserve fund to supplement charter capital	5% profit after tax	10% of charter capital
Financial reserve fund	5% profit after tax	10% of charter capital

Other funds of MBS and MB Capital are appropriated according to the Resolution of the General Meeting of Shareholders

MB Shinsei Finance Company Limited ("MCredit")

According to Decree No. 93/2017/ND-CP, MCredit must set up compulsory reserve funds before distributing profits similar to the Bank.

Military Insurance Corporation ("MIC") and MB Ageas Life Insurance Company Limited ("MB Ageas")

MIC and MB Ageas must set up a compulsory reserve fund from profit after tax at the rate of 5% until it is equal to 10% of charter capital.

29. Recognition of revenues and expenses

Revenues and expenses from banking operations

Interest income and interest expense are recognized in the consolidated income statement on an accrual basis. Accrued interest income arising from loans classified from groups 2 to 5 according to Circular 11/2021 and loans with repayment term rescheduled under Circular 01/2020 will not be recognized in the consolidated business performance statement. Accrued interest on these debts is recorded on off-balance sheet account and recognized in the consolidated income statement when MB is actually collected.

Banking service fees are recognized when the service is rendered.

For other revenues, when it is possible to determine the contract result with certainty, the revenue will be recognized based on the level of work completion. If the outcome of the contract cannot be determined with certainty, revenue is recognized only to the extent that the expenses recognized are recoverable.

According to Circular No. 16/2018/TT-BTC dated February 7, 2018 of the Ministry of Finance guiding a number of articles on the financial regime for credit institutions and foreign bank branches, for accounts payable Revenue is recorded to income but then assessed as non-receivable or when the collection is not received, MB shall record a decrease in revenue in the same accounting period or to expenses if different in the accounting period and monitoring. off-balance sheet to urge revenue. When these amounts are received, MB will record it into the income in the consolidated statement of income.

Revenue from securities trading

Revenue from securities trading is determined on the basis of the difference in selling prices and weighted average cost of securities.

Cash dividends are recognized in the consolidated income statement when MB's right to receive cash dividend is established. Dividends received in the form of shares, bonus shares and stock options for current shareholders, shares divided from undistributed profits are not recognized as MB's income, but only updated number amount of shares.

Revenue from insurance business

Revenue of original insurance premium is recognized in accordance with Circular 50. Premium received before maturity date is recognized in “Unearned revenue” on the consolidated balance sheet.

Revenue from real estate business

Revenue is recognized when MB has the ability to receive certain economic benefits that can be reliably determined. Sales are determined at the fair value of the amounts collected or to be earned after deduction of commercial discounts, sales rebates and sales returns.

At the same time, revenue from real estate transfer is recognized when MB has transferred most of the risks and rewards associated with real estate to the buyer and the revenue can be determined with certainty.

Payment of compensation for insurance business

Claim expense for original insurance is recognized on the basis of the accrual of the insurance company accepting the indemnity according to the indemnity notice.

Reinsurance indemnities are recognized when incurred, on the basis of the reinsurance concession notice sent to the insurance company, the insurance company accepts indemnity.

Claims receivable from the reinsurance assignment are recognized on the basis of the receivable amount corresponding to the claim expense recognized in the period and the ceding ratio.

Other costs of insurance business are recognized when actually incurred.

Commissions for insurance business

MB calculates commissions payable for each type of insurance product at a certain percentage of the original insurance premium in accordance with the rates specified in Circular 50 and only records it into business expenses. Insurance for commissions is amortized in the period in accordance with the portion of revenue to be earned. Unallocated commissions will be recognized as an upfront cost and will be amortized to insurance business expenses for the following periods.

Costs for initiating loans to customers at the consumer finance company

Start-up costs of loans to customers, including commissions to agents, third parties and business associates, are amortized to the consolidated statement of income on a straight-line basis. in a period of 9 to 29 months according to the average maturity of loan products.

30. 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.

Deferred income tax

Deferred income tax is defined for temporary differences at the date of the consolidated balance sheet between the tax base of the assets and liabilities and their carrying amount presented on the consolidated financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the amount transferred to the following years of unused tax losses and unused tax incentives, where certain in the future there will be taxable profits to use these unused deductible differences, tax losses and tax incentives. The carrying amount of a deferred tax asset must be reconsidered at the balance sheet date and the carrying amount of the deferred tax asset must be reduced to a certain degree that sufficient computation is assured. tax allows the benefit of part or all of your deferred tax asset to be used. Previously unrecognized deferred tax assets are reconsidered at the balance sheet date and are recognized when there is certainly enough taxable profit in the future to be able to use the assets unrecognized deferred income tax.

Deferred income tax assets and deferred income tax liabilities are determined at the tax rates expected to apply for the fiscal year when the asset is recovered or the liability is settled, based on tax rates and Tax law takes effect on the balance sheet date.

31. Derivative financial instrument

MB signs foreign currency forward and swap contracts to facilitate customers to transfer, adjust or reduce their foreign exchange or other market risks, and at the same time serve MB's business purposes.

Foreign currency forward contracts

Forward contracts are commitments to buy or sell a certain currency at a specified future date at a predetermined rate and to be paid for in money. Forward contracts are recognized at nominal value on the transaction date and are periodically revalued, the difference from revaluation is recognized in the consolidated income statement.

Swap contracts

Swap contracts are commitments to settle in cash at a future date based on the difference between the predetermined rates calculated on the notional principal amount or commitments to pay the accrued interest. A floating rate or a fixed rate charged on the same nominal amount over the same period of time.

Currency swap contracts are revalued on a periodic basis, the difference from revaluation is recorded in the consolidated income statement.

Interest rate swap differences are recognized in the consolidated income statement on an accrual basis.

32. Earnings per shares

MB presents basic earnings per share for common shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary MB's shareholders (after adjusting for the bonus and welfare fund) by the weighted average number of the ordinary shares outstanding during the period.

If the issued shares during the year only change the number of shares without leading to a change in the capital source, MB will adjust the weighted average number of ordinary shares outstanding in the period presented on the consolidated financial statements, leading to a corresponding adjustment of the basic interest rate per share.

33. 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.

b. Voluntary severance allowance and job loss allowance

Voluntary severance allowance: According to Article 46 of Vietnam Labor Code 45/2019/QH14 effective from 1 January 2021, 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 15 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. 28/2015/TT-BLDTBXH guiding the Government's Decree No.28/2015/ ND-CP dated March 12, 2015 on Unemployment Insurance, from January 1, 2009, MB has obligation to pay unemployment insurance premiums at the rate of 1% of the unemployment insurance fund of the unemployment insurance participants and 1% of the monthly salary and wages for unemployment insurance payment of each person employees to pay at the same time to the Unemployment Insurance Fund.

34. Business segment report

A division is a separately identifiable component of MB participating in the provision of related products or services (a business division), or the provision of products or services in an specific economic environment (segment divided by geographic area), each of which bears different risks and benefits from the others. MB's primary template for segment reporting is based on business segments.

35. Stakeholders

Parties are considered to be related parties of MB if one party has the ability, directly or indirectly, to control the other party or influence the other party to make financial and operating decisions, or when MB and the other party are under common control or common material influence. Related parties can be corporations or individuals, including close family members of any individual considered to be related.

36. Clearance

Financial assets and liabilities are offset and presented to the net value on the consolidated balance sheet only if MB has the legal right to make the clearing and MB intends to pay the assets and liabilities at the net worth price, or the settlement of assets and liabilities occurs at the same time.

III– ADDITIONAL INFORMATION FOR BALANCE SHEET ITEMS

1. Cash, gold and gemstones

	30/09/2022 *VND million*	*31/12/2021* *VND million*
Cash in VND	2,699,880	2,949,985
Cash in foreign currencies	428,306	518,459
Gold	7,393	6,897
	3,135,579	**3,475,341**

2. Balances with State banks

	30/09/2022 *VND million*	*31/12/2021* *VND million*
Balances with the State Bank of Vietnam	11,016,944	36,564,145
- *In VND*	*5,077,283*	*30,187,869*
- *In foreign currencies*	*5,939,661*	*6,376,276*
Balances with the Bank of the Lao PDR	723,172	385,786
Balances with the National Bank of Cambodia	643,128	1,101,108
	12,383,244	**38,051,039**

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

	30/09/2022 *VND million*	*31/12/2021* *VND million*
Cash, gold deposits at other credit institutions	**31,200,695**	**24,155,189**
Of which:		
Current Accounts		
- *In VND*	*1,626,433*	*713,154*
- *In foreign currencies, gold*	*4,593,078*	*2,609,594*
Term deposit		
- *In VND*	*23,628,806*	*17,086,730*
- *In foreign currencies, gold*	*1,352,378*	*3,745,711*
Loans to other credit institutions	**6,074,264**	**11,908,860**
In VND	*3,862,350*	*6,213,960*
In foreign currencies, gold	*2,211,914*	*5,694,900*
Allowance for loans losses of loans to other CIs	(80,867)	(80,856)
	37,194,092	**35,983,193**

4. Securities held for trading

Investments into securities held for trading as at 30 Sep 2022 and 31 December 2021 include:

	30/09/2022 VND million	*31/12/2021 VND million*
Debt Securities		
Listed	639,508	1,815,842
Unlisted	5,173,051	5,427,585
Equity Securities		
Listed	94,583	285,372
Unlisted	44	53,874
	5,907,186	**7,582,673**
Allowance for diminution in the value of securities held for trading	(2,976)	(7,399)
	5,904,210	**7,575,274**

5. Loans to customers

	30/09/2022 VND million	*31/12/2021 VND million*
Outstanding loans to customers		
Loans to domestic economic entities and individuals	415,218,415	352,126,413
Discounted commercial bills and valuable papers	1,208,064	1,245,410
Loans granted from borrowed and entrusted funds	136,128	192,509
Payables on behalf of customers	13,286	74,455
Loans to foreign economic entities and individuals	2,554,863	2,764,702
	419,130,756	***356,403,489***
Securities margin loan and advances to MBS customers	7,101,882	7,151,289
	426,232,638	**363,554,778**

- ***Loan quality analysis:***

	30/09/2022 VND million	*31/12/2021 VND million*
Outstanding loans to customers		
Current loans	414,862,905	356,373,794
+ of which, Loans at MBS	*7,101,882*	*7,151,289*
Special mentioned loans	6,954,720	3,912,949
Sub-standard loans	1,674,218	1,433,433
Doubtful loans	1,225,278	1,015,111
Loss	1,515,517	819,491
	426,232,638	**363,554,778**

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

	30/09/2022 VND million	*31/12/2021 VND million*
Outstanding loans to customers		
Short-term	198,034,514	166,663,795
Mid-term	69,722,850	51,224,404
Long-term	151,373,392	138,515,290
	419,130,756	**356,403,489**
Securities margin loan and advances to MBS customers	7,101,882	7,151,289

	426,232,638	**363,554,778**

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

	30/09/2022 VND million	*%*	*31/12/2021 VND million*	*%*
Outstanding loans to customers				
Loans to economic entities	**210,608,919**	**49.42**	**186,357,804**	**51.26**
State-owned enterprises	19,696,789	4.62	18,440,306	5.07
One-member limited liability companies with 100% State-owned capital	6,247,253	1.47	4,629,942	1.27
Limited liability companies with more than one members with more than 50% State-owned capital	920,448	0.22	757,889	0.21
Other limited liability companies	69,927,345	16.41	66,503,725	18.29
Joint Stock companies with more than 50% State-owned Capital (the State holds dominating shares)	2,915,738	0.68	3,143,279	0.86
Other joint stock companies	101,772,435	23.88	85,421,224	23.50
Foreign invested enterprises	9,014,401	2.11	7,370,440	2.03
Cooperatives and cooperative unions	114,510	0.03	90,999	0.03
Loans to individuals	**205,873,104**	**48.28**	**167,190,644**	**45.98**
Household business, individuals	205,873,104	48.28	167,190,644	45.98
Other loans	**105,210**	**0.03**	**96,612**	**0.03**
Administrative units, Communist Party, Union and Association	31,034	0.01	31,873	0.01
Others	74,176	0.02	64,739	0.02
Loans to customers of the Foreign branches	**2,543,523**	**0.60**	**2,758,429**	**0.76**
Loans to enterprises	2,088,315	0.49	2,167,099	0.60
Loans to individuals	455,208	0.11	591,330	0.16
	419,130,756	***98.33***	***356,403,489***	***98.03***
Securities margin loan and advances to MBS customers	7,101,882	1.67	7,151,289	1.97
	426,232,638	**100.00**	**363,554,778**	**100.00**

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

	30/09/2022 VND million	*%*	*31/12/2021 VND million*	*%*
Outstanding loans to customers of the Bank				
Agriculture, Forestry, Fishery	4,571,325	1.07	3,506,228	0.96
Mining	3,142,049	0.74	2,980,179	0.82
Manufacturing and processing	65,429,621	15.35	53,107,960	14.61
Production & Distribution of Electricity, Gas, Hot Water, Steam and Air-Conditioning	31,286,072	7.34	30,741,006	8.46
Water supply, garbage & sewage management & treatment	730,954	0.17	676,925	0.19
Construction	23,157,393	5.43	22,523,216	6.20
Wholesale, Retail trade, Repair of Automobiles, Motor cycles and other Automotive Vehicles	100,908,915	23.67	81,361,737	22.38
Transportation, Warehousing	7,600,922	1.78	6,364,695	1.75
Hospitality services	8,676,369	2.04	9,021,897	2.48
Information & Communication	1,764,635	0.41	1,861,184	0.51
Finance, Banking and Insurance	772,488	0.18	2,439,625	0.67
Real estate trading	18,995,475	4.46	12,632,155	3.47
Professional, scientific & technological activities	511,078	0.12	519,234	0.14
Administration & Supporting services	537,822	0.13	435,207	0.12
Education & Training	473,236	0.11	534,630	0.15
Healthcare and social work	3,510,760	0.82	3,199,312	0.88
Arts, entertainment and recreation	2,649,554	0.62	3,007,047	0.83
Other services	156,942	0.04	148,658	0.04
Households services, producing household self-consumed products and services	141,711,623	33.25	118,584,165	32.61
Loans at Foreign branches	2,543,523	0.60	2,758,429	0.76
	419,130,756	***98.33***	***356,403,489***	***98.03***
Securities margin loan and advances to MBS customers	7,101,882	1.67	7,151,289	1.97
	426,232,638	**100.00**	**363,554,778**	**100.00**

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

(i) Movements in the allowance for loans losses as at 30 Sep 2022 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 2022	6,159,817	2,568,037	8,727,854	7,091	22,739	29,830	6,166,908	2,590,776	8,757,684
Allowance made / reversed during the period	3,724,701	552,673	4,277,374	(582)	(1,336)	(1,918)	3,724,119	551,337	4,275,456
Utilized allowances	(3,860,622)	-	(3,860,622)	-	-	-	(3,860,622)	-	(3,860,622)
Exchange rate adjustment	-	-	-	(1,042)	(327)	(1,369)	(1,042)	(327)	(1,369)
Balance as at 30 Sep 2022	**6,023,896**	**3,120,710**	**9,144,606**	**5,467**	**21,076**	**26,543**	**6,029,363**	**3,141,786**	**9,171,149**

(ii) Movements in the allowance for loans losses in 2021 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 2021	2,144,187	2,120,932	4,265,119	61,794	27,306	89,100	2,205,981	2,148,238	4,354,219
Allowance made / reversed during the period	7,507,691	447,105	7,954,796	2,754	(3,749)	(995)	7,510,445	443,356	7,953,801
Utilized allowances	(3,492,061)	-	(3,492,061)	(50,876)	-	(50,876)	(3,542,937)	-	(3,542,937)
Exchange rate adjustment	-	-	-	(6,581)	(818)	(7,399)	(6,581)	(818)	(7,399)
Balance as at 31 December 2021	**6,159,817**	**2,568,037**	**8,727,854**	**7,091**	**22,739**	**29,830**	**6,166,908**	**2,590,776**	**8,757,684**

7. Debt purchase

	30/09/2022 VND million	*31/12/2021 VND million*
Debt purchase by VND	3,585	3,585
Provision for loss	(3,585)	(1,819)
	-	**1,766**

The details of the principal and interest values of debts purchased from the Bank are as follows:

	30/09/2022 VND million	*31/12/2021 VND million*
Debt principal purchase	3,585	3,585
Interest on purchased debt	-	-
	3,585	**3,585**

8. Investment securities

8.1 Available-for-sale investment securities

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

30/09/2022	*31/12/2021*

		VND million	*VND million*
Debt securities			
Debt securities issued by the Government	(i)	12,695,689	17,678,879
Debt securities guaranteed by the Government	(i)	20,033,850	21,277,956
Debt securities issued by other credit institutions	(ii)	59,786,465	46,387,078
Debt securities issued by domestic economic entities	(iii)	45,716,862	39,208,003
		138,232,866	**124,551,916**
Equity securities			
Equity securities issued by other credit institutions		-	-
Equity securities issued by domestic economic entities		-	-
		-	**-**
Allowance for diminution in the value of available-for-sale securities		*(377,268)*	*(352,398)*
		137,855,598	**124,199,518**

(i) *Debt securities issued by the Government (including SBV bill)* and *Debt securities guaranteed by the Government* include bonds with 5 year to 20-year term at annual interest rates from 2.0% to 8.8%/year.

(ii) *Debt securities issued by other credit institutions* include bonds with 6 months to 7-year term at annual interest rates from 2.10% to 8.30%/year.

(iii) *Debt securities issued by domestic economic entities* include bonds with 9 months to 15-year term at annual interest rates from 3.79% to 10.50%/year.

8.2 Held-to-maturity investment securities

		30/09/2022 *VND million*	*31/12/2021* *VND million*
Held-to-maturity investment securities			
Bonds guaranteed by the Government		270,908	271,409
Bonds issued by other credit institutions	(i)	1,887,000	1,245,022
Bonds issued by domestic economic entities	(ii)	3,341,399	3,160,653
		5,499,307	**4,677,084**
Allowance for diminution in the value of held-to-maturity investment securities		(75,061)	(70,358)
		5,424,246	**4,606,726**

(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 4-year to 10-year term at annual interest rates from 8.90% to 10.50%/year.

9. Capital contribution & long-term investment

Details of long-term investments items are as follows:

	30/09/2022 VND million	*31/12/2021 VND million*
Other long-term investments	668,398	940,840
	668,398	**940,840**
Allowance for diminution in the value of long-term investments	(116,318)	(137,632)
	552,080	**803,208**

9.1 Other long-term investments

	30/09/2022 VND million	*31/12/2021 VND million*
Investment in economic entities and long-term projects	637,992	767,184
Investment in investment funds	30,406	173,656
	668,398	**940,840**

10. Tangible fixed assets

Movements in tangible fixed assets ending on 30 Sep 2022 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	2,398,309	2,020,511	1,356,253	308,444	6,083,517
Purchase during the period	95	292,880	41,105	31,204	365,284
Decrease during the period	-	(42,695)	(4,907)	(670)	(48,272)
Exchange rate adjustment	291	(1,674)	(591)	(170)	(2,144)
Closing balance	2,398,695	2,269,022	1,391,860	338,808	6,398,385
Accumulated amortization					
Opening balance	420,378	1,434,377	843,524	171,332	2,869,611
Depreciation during the period	71,456	241,274	214,381	42,760	569,871
Decrease during the period	-	(42,716)	(4,340)	(611)	(47,667)
Exchange rate adjustment	222	(1,359)	(631)	(208)	(1,976)
Closing balance	492,056	1,631,576	1,052,934	213,273	3,389,839
Net book value					
Opening balance	1,977,931	586,134	512,729	137,112	3,213,906
Closing balance	1,906,639	637,446	338,926	125,535	3,008,546

Movements in tangible fixed assets ending on 31 December 2021 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	2,338,796	1,536,291	1,252,428	259,554	5,387,069
Increase during the period	95,181	542,074	134,764	65,014	837,033
Decrease during the period	(35,550)	(56,128)	(30,303)	(15,871)	(137,852)
Exchange rate adjustment	(118)	(1,726)	(636)	(253)	(2,733)
Closing balance	2,398,309	2,020,511	1,356,253	308,444	6,083,517
Accumulated amortization					
Opening balance	331,769	1,225,480	605,285	136,011	2,298,545
Depreciation during the period	97,171	265,729	267,336	49,047	679,283
Decrease during the period	(8,472)	(55,325)	(28,476)	(13,534)	(105,807)
Exchange rate adjustment	(90)	(1,507)	(621)	(192)	(2,410)
Closing balance	420,378	1,434,377	843,524	171,332	2,869,611
Net book value					
Opening balance	2,007,027	310,811	647,143	123,543	3,088,524
Closing balance	1,977,931	586,134	512,729	137,112	3,213,906

11. Intangible fixed assets

Movements in intangible fixed assets ending on 30 Sep 2022 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	1,811,224	10,368	2,923,616
Purchase during the period	-	298,053	977	299,030
Sale during the period	-	(7,383)	6,441	(942)
Exchange rate adjustment	-	159	-	159
Closing balance	1,102,024	2,102,053	17,786	3,221,863
Accumulated amortization:				
Opening balance	208,178	1,245,089	5,808	1,459,075
Increase during the period	18,109	349,627	3,794	371,530
Sale during the period	(12,342)	(273)	-	(12,615)
Exchange rate adjustment	-	121	-	121
Closing balance	213,945	1,594,564	9,602	1,818,111
Net book value:				
Opening balance	893,846	566,135	4,560	1,464,541
Closing balance	888,079	507,489	8,184	1,403,752

Movements in intangible fixed assets ending on 31 December 2021 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	1,169,487	6,053	2,277,564
Purchase during the period	-	642,124	4,315	646,439
Others increase/decrease during the period	-	(352)	-	(352)
Exchange rate adjustment	-	(35)	-	(35)
Closing balance	1,102,024	1,811,224	10,368	2,923,616
Accumulated amortization:				
Opening balance	181,857	868,240	5,072	1,055,169
Depreciation during the period	26,321	373,412	736	400,469
Liquidation during the period	-	(352)	-	(352)
Others increase/decrease during the period	-	3,828	-	3,828
Exchange rate adjustment	-	(39)	-	(39)
Closing balance	208,178	1,245,089	5,808	1,459,075
Net book value:				
Opening balance	920,167	301,247	981	1,222,395
Closing balance	893,846	566,135	4,560	1,464,541

12. Investment properties

The movements of investment properties during the fiscal year ending 30 Sep 2022 are as follows:

	Building and structures VND million	*Definite land use rights VND million*	*Total VND million*
Cost:			
Opening balance	85,980	199,320	285,300
Increase during the year	-	-	-
Decrease during the year	(35,145)	-	(35,145)
Ending balance	50,835	199,320	250,155
Accumulated depreciation:			
Opening balance	10,977	5,324	16,301
Increase during the year	1,219	3,833	5,052
Decrease during the year	(8,903)	-	(8,903)
Ending balance	3,293	9,157	12,450
Net book value:			
Opening balance	75,003	193,996	268,999
Ending balance	47,542	190,163	237,705

The movements of investment properties during the period ending 31 December 2021 are as follows:

	Building and structures VND million	*Definite land use rights VND million*	*Total VND million*
Cost:			
Opening balance	50,354	199,320	249,674
Increase during the year	35,626	-	35,626
Decrease during the year	-	-	-
Ending balance	85,980	199,320	285,300
Accumulated depreciation:			
Opening balance	285	1,491	1,776
Increase during the year	2,609	3,833	6,442
Decrease during the year	8,083	-	8,083
Ending balance	10,977	5,324	16,301
Net book value:			
Opening balance	50,069	197,829	247,898
Ending balance	75,003	193,996	268,999

13. Receivables

	30/09/2022 VND million	*31/12/2021 VND million*
Internal receivables	323,089	189,295
External receivables	20,776,492	23,733,910
	21,099,581	**23,923,205**

Details of external receivables are as follows:

	30/09/2022 VND million	*31/12/2021 VND million*
- Cost of capital construction, purchase of fixed assets	565,344	438,884
- Escrow, mortgage, pledge	223,229	576,412
- Trade finance receivable	14,139,213	18,267,140
- Receivables from BankPlus service	425,446	1,793
- Receivables from payment service	150,757	659,299
- Other receivables	5,272,503	3,790,382
	20,776,492	**23,733,910**

14. Other Assets

	30/09/2022 VND million	*31/12/2021 VND million*
Prepaid expenses	2,741,882	1,892,846
Goodwill	28,568	38,090
Other assets	2,754,897	2,031,027
	5,525,347	**3,961,963**

15. Amounts due to the Government and the State Bank of Vietnam

	30/09/2022 VND million	*31/12/2021 VND million*
- Deposit of the State Bank of Vietnam	23,056	262,281
	23,056	**262,281**

16. Deposits and borrowings from other credit institutions

	30/09/2022 VND million	*31/12/2021 VND million*
Demand deposits from other credit institutions		
- *In VND*	*486,183*	*146,548*
- *In gold and foreign currencies*	*67,937*	*46,358*
Term deposits from other credit institutions		
- *In VND*	*27,880,000*	*10,305,931*
- *In gold and foreign currencies*	*232,550*	*3,371,804*
Borrowings from other credit institutions		
- *In VND*	*15,638,499*	*21,145,962*
- *In gold and foreign currencies*	*18,866,827*	*24,543,781*
	63,171,996	**59,560,384**

17. Customer deposits

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

	30/09/2022 *VND million*	*31/12/2021* *VND million*
Current account and gold	147,648,566	171,396,096
Current account in VND	*132,452,554*	*157,468,700*
Current account in foreign currencies	*15,196,012*	*13,927,396*
Term deposits and gold	217,182,319	197,179,579
Term deposits in VND	*212,761,265*	*192,331,233*
Term deposits in foreign currencies	*4,421,054*	*4,848,346*
Deposits for specific purpose	3,217,076	4,388,708
Margin deposits	9,097,273	11,727,772
Margin deposits in VND	*6,106,772*	*7,719,805*
Margin deposits in foreign currencies	*2,990,501*	*4,007,967*
	377,145,234	**384,692,155**

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

	30/09/2022 *VND million*	*31/12/2021* *VND million*
Deposits of economic entities	168,628,592	183,157,168
Deposits of individuals	208,516,642	201,534,987
	377,145,234	**384,692,155**

18. 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 30 Sep 2022			
Currency derivative financial instruments	**216,685**	**-**	**216,685**
Currency forward transactions	94,603	-	94,603
Currency swap transactions	112,082	-	112,082
As at 31 December 2021			
Currency derivative financial instruments	**274,294**	**-**	**274,294**
Currency forward transactions	55,662	-	55,662
Currency swap transactions	218,632	-	218,632

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

	30/09/2022 *VND million*	*31/12/2021* *VND million*
Fund received from other institutions (*)	2,232,251	1,998,703
	2,232,251	**1,998,703**

20. Valuable papers issued

	30/09/2022 VND million	31/12/2021 VND million
Ordinary bonds	26,870,022	11,538,970
- Below 5 years term	*15,221,934*	*834,981*
- Above 5 years term	*11,648,088*	*10,703,989*
Depositary certificate	74,903,141	55,347,954
- Below 12 months	*38,986,590*	*13,943,480*
- Above 12 months	*35,916,551*	*41,404,474*
	101,773,163	**66,886,924**

(i) Ordinary bonds issued by the Bank at the annual interest rate from 3.8%– 8.70%/year

(ii) Depositary certificate issued by the Bank at the annual interest rate from 1.00%-8.50%/year

21. Other payables and liabilities

	30/09/2022 VND million	31/12/2021 VND million
Internal payables	3,928,609	2,670,077
External payables	26,371,070	23,505,982
	30,299,679	**26,176,059**

22. Capital and reserves

22.1 Report on changes in consolidated owners' equity and reserves

As at 30 Sep 2022 the number of outstanding shares issued by the Bank was **3,778,321,777** shares at par value of VND 10,000. Hence the Bank's charter capital was VND **37,783,218** million.

Unit: VND million

Items	Opening balance	Provision	Used/Decreased	Ending balance
Charter capital	37,783,218	-	-	37,783,218
Premium capital	869,327	-	-	869,327
Other capital	665,811	296,661	-	962,472
Additional equity reserves	2,354,950	745,019	(150,000)	2,949,969
Financial reserve	4,498,702	1,179,425	-	5,678,127
Other reserves	487,678	408,361	(203,183)	692,856
Retained earnings	12,915,149	14,048,604	(3,377,985)	23,585,768
Non-controlling interest	2,911,188	506,559	(29,608)	3,388,139
Total	**62,486,023**	**17,184,629**	**(3,760,776)**	**75,909,876**

22.2 Earnings per share

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Profit after tax (for the Bank, excluding non-controlling interest)	14,048,604	9,171,011
Adjustment due to deduction of bonus and welfare fund	-	-
Weighted average number of outstanding ordinary shares (shares)	3,778,321,777	3,776,726,634
Earnings per Share (VND/share)	**3,718**	**2,428**

22.3 Shares:

	30/09/2022	*31/12/2021*
Number of shares registered for issuance		
Number of shares offered to the public	3,778,321,777	3,778,321,777
- *Ordinary shares*	*3,778,321,777*	*3,778,321,777*
Number of repurchased shares	-	-
- *Ordinary shares*	-	-
- *Preference shares*	-	-
Number of outstanding shares	3,778,321,777	3,778,321,777
- *Ordinary shares*	*3,778,321,777*	*3,778,321,777*
- *Preference shares*	-	-

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

1. Interest and similar income

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Interest and similar income		
Interest Income from balances with other CIs	853,027	317,339
Interest Income from loans	27,720,515	21,212,080
Interest income from debt securities	6,566,089	4,954,979
Fee from guarantee services	1,625,896	1,302,098
Fee from purchase/sell debt	-	42,941
Other credit activities	416,615	407,674
	37,182,142	**28,237,111**
Interest and similar expenses		
Interest expense for deposits	(7,277,413)	(6,935,120)
Interest expense for borrowings from SB and other CIs	(882,999)	(485,802)
Interest expense for valuable papers issued	(2,507,911)	(1,719,054)
Other credit activities	(120,299)	(67,369)
	(10,788,622)	**(9,207,345)**
Net interest income	**26,393,520**	**19,029,766**

2. Net gain (loss) from fee and commission

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Fee and commission income		
Settlement and Cash services	1,222,556	832,790
Income from advisory services	282,467	402,983
Income from business and insurance services	7,204,745	5,656,486
Income from trustee agency services	349,024	70,341
Income from debt settlement, appraisal and asset management	658,364	276,068
Income from Securities brokerage services	581,136	627,105
Other services	361,508	623,444
	10,659,800	**8,489,217**
Fee and commission expenses		
Settlement and Cash services	(82,780)	(57,207)
Expenses from trustee agency services	(10,276)	(9,167)
Expenses from advisory services	(4,894)	(198)
Expenses from brokerage commission	(1,747,099)	(1,601,747)
Expenses from business and insurance services	(4,272,958)	(2,913,123)
Expenses from debt settlement, appraisal and asset management	(586,156)	(198,111)
Expenses from Securities brokerage services	(104,651)	(106,765)
Other services	(939,127)	(580,955)
	(7,747,941)	**(5,467,273)**
Net fee and commission income	**2,911,859**	**3,021,944**

3. Net gain/loss from trading of foreign currencies

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Income from trading of foreign currencies		
Income from spot currencies contracts	1,933,506	1,094,305
Income from forward currencies contracts	1,017,810	485,646
	2,951,316	**1,579,951**
Expenses on foreign currencies		
Expenses for spot foreign currencies contracts	(597,177)	(61,436)
Expenses for forward foreign currencies contracts	(1,013,657)	(603,598)
	(1,610,834)	**(665,034)**
Net gain/(loss) from trading of foreign currencies	**1,340,482**	**914,917**

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

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Gain/(loss) from securities held for trading		
Income from securities held for trading	260,606	311,875
Expenses for securities held for trading	(129,519)	(151,903)
Expense/Reversal of allowance for diminution in the value of securities held for trading	4,423	2,697
	135,510	**162,669**
Gain/(loss) from investment securities and capital contribution and long-term investments		
Income from investment securities	1,565,635	1,547,576
Expenses from investment securities	(289,647)	(234,241)
Reversal of/ expense for allowance for diminution in the value of investment securities	(43,526)	(23,892)
Reversal of expense for allowance for diminution in the value of long-term capital contributions / investments	10,406	(24,654)
	1,242,868	**1,264,789**
Net gain/(Loss) from trading securities, investment securities and capital contribution and long-term investments	**1,378,378**	**1,427,458**

5. Net gain/loss from other activities

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Recovery of bad debts previously written off	1,244,298	2,007,664
Net gain/loss from other financial derivatives	333,923	289,323
Other incomes	111,949	49,343
	1,690,170	**2,346,330**

6. Income from capital contribution, share purchases

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Dividends received during the year from capital contribution and share purchase	13,457	17,078
Dividends received from securities trading	113,330	60,150
	126,787	**77,228**

7. Operating expenses

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Taxes, duties and fees	107,316	75,670
Salaries and related expenses	6,616,329	5,155,932
Of which:		
- Cost of salary and allowance	*5,358,777*	*4,214,624*
- Others expense for employees	*1,257,552*	*941,308*
Expenditures on assets, instrument & tools	1,853,133	1,554,151
Of which:		

- Depreciation expense	*934,112*	*766,219*
Expenditures for administration and official purposes	2,351,949	1,940,575
Insurance expense on deposit of customers	258,487	188,121
	11,187,214	**8,914,449**

8. Employee incomes

	For the period from 01/01/2022-30/09/2022 VND million
Average total number of employees during the period (employees)	15,966
Total income	**5,358,777**
Average monthly income	37.29

9. Expense reserved/(made) for losses

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Expense/(reversed) for credit risk	4,275,456	6,019,425
Expense /(reversed) made for debt purchase	1,766	3,504
Expense /(reversed) made for other risks	185,033	(4,304)
Expense/(reversed) contingencies with commitments made	36	-
	4,462,291	**6,018,625**

10. Obligations to the State Budget

		Changes during the period		
	Opening balance	*Amount payable*	*Amount paid*	*Ending balance*
VAT	77,876	403,477	(346,121)	135,232
Corporate Income Tax	901,398	3,644,619	(2,160,838)	2,385,179
Other taxes	124,122	976,885	(1,031,737)	69,270
	1,103,396	**5,024,981**	**(3,538,696)**	**2,589,681**

11. Corporate income tax

11.1. Tax expense

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Current corporate income tax expense	**3,649,145**	**2,368,516**
Current year	3,649,145	2,368,516
Expense/reversal of deferred income tax	**(12,617)**	**(2,989)**
Expense/reversal of deferred income tax	(12,617)	(2,989)

Corporate income tax expense	**3,636,528**	**2,365,527**

11.2. Corporate Income Tax

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

	30/09/2022 VND million	*30/09/2021 VND million*
Gross accounting consolidated profit before tax	**18,191,691**	**11,884,569**
Adjustments for:		
- Tax-exempt income (including dividends and profits from subsidiaries)	(2,130,287)	(1,649,954)
- Non-taxable consolidated adjusted amounts	9,298	5,585
Estimated taxable income of the Bank	**16,070,702**	**10,240,200**
Current corporate income tax (20%) of the Bank (i)	3,214,140	2,048,040
Corporate income tax of foreign branches (ii)	7,441	10,942
Corporate income tax of subsidiaries (iii)	427,564	309,534
Reversal of deferred tax of subsidiaries (iv)	(12,617)	(2,989)
Corporate income tax expenses (i+ii+iii+iv)	**3,636,528**	**2,365,527**

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:

	30/09/2022 VND million	*31/12/2021 VND million*
Cash and cash equivalents in hand	3,135,579	3,475,341
Balances with the SBV	12,366,927	38,040,221
Deposits at credit institutions with original term of not exceeding 3 months	31,200,695	24,155,189
	46,703,201	**65,670,751**

V- OTHER INFORMATION

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

Item	***30/09/2022 VND million***	***31/12/2021 VND million***
Loan guarantee	159,116	163,039
Foreign exchange commitments	252,740,112	248,479,808
+ Foreign exchange purchase commitments	*9,412,816*	*1,734,746*
+ Foreign exchange sale commitments	*7,085,867*	*2,196,936*
+ Swap purchase commitments	*118,134,416*	*122,347,042*
+ Swap sale commitments	*118,107,013*	*122,201,084*
LC commitment	31,311,251	34,857,504
Other guarantee	108,299,139	102,801,455
Other commitments	63,397,831	61,205,263

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) Directly or indirectly through one or more intermediaries, who:

► controls or is controlled by or is under common control by the Bank (including parent companies, subsidiaries);

► has contributed capital (owning 5% or more of charter capital or voting share capital) to the Bank and thereby has significant influence over the Bank;

► has joint control of the Bank;

(b) Related party is a joint venture or associate of which the Bank is a joint venture or associate (owning more than 11% of charter capital or voting share capital, but is not a subsidiary).

(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) are as follows:

Transaction type	*30/09/2022 VND million*	*31/12/2021 VND million*
Deposits at the Bank	25,774,057	27,908,496
	25,774,057	**27,908,496**

Remuneration of members of the Board of Directors, members of the Supervisory Board and salaries of the Management Board are incurred as follows:

	From 01/01/2021 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2021 VND million*
Members of the Board of Directors (11 members), Supervisory Board (5 members) and Management Board (11 members)	38,057	31,764
	38,057	**31,764**

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	423,689,115	376,262,788	31,311,251	149,558,815
Foreign	2,543,523	882,446	-	80,544

3.2. Consolidated segment reporting according to geographical segment

30 Sep 2022	*North* *VND million*	*Central* *VND million*	*South* *VND million*	*Other* *VND million*	*Exclusion* *VND million*	*Total* *VND million*
Assets	452,636,328	34,252,896	184,941,898	4,199,122	(19,226,019)	656,804,225
Liabilities	379,249,722	33,310,274	180,473,535	1,946,759	(14,085,941)	580,894,349
Fixed asset	4,297,413	28,416	79,396	7,073	-	4,412,298
Revenue	75,808,737	3,728,346	16,869,517	269,052	(41,646,718)	55,028,934
Expenses	64,200,422	2,745,560	11,322,370	215,609	(41,646,718)	36,837,243
Profit before tax	11,608,315	982,786	5,547,147	53,443	-	18,191,691

31 December 2021	*North* *VND million*	*Central* *VND million*	*South* *VND million*	*Other* *VND million*	*Exclusion* *VND million*	*Total* *VND million*
Assets	433,046,830	34,669,555	153,775,463	4,691,014	(19,042,443)	607,140,419
Liabilities	372,757,263	34,005,969	149,254,437	2,533,738	(13,897,011)	544,654,396
Fixed asset	4,540,884	33,134	95,656	8,773	-	4,678,447
Revenue	81,056,500	4,524,328	18,253,068	434,050	(44,644,648)	59,623,298
Expenses	70,930,553	3,826,623	12,627,566	355,945	(44,644,648)	43,096,039
Profit before tax	10,125,947	697,705	5,625,502	78,105	-	16,527,259

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*
30 Sep 2022						
Assets	644,698,806	12,718,090	17,003,301	1,610,047	(19,226,019)	656,804,225
Liabilities	572,638,318	8,272,924	13,389,796	679,252	(14,085,941)	580,894,349
Fixed asset	3,855,665	117,800	413,650	25,183	-	4,412,298
Revenue	85,837,911	1,866,771	7,788,758	1,182,212	(41,646,718)	55,028,934
Expenses	68,844,155	1,181,721	7,596,096	861,989	(41,646,718)	36,837,243
Profit before tax	16,993,756	685,050	192,662	320,223	-	18,191,691
31 December 2021						
Assets	599,323,001	11,573,605	13,683,563	1,602,693	(19,042,443)	607,140,419
Liabilities	539,970,933	7,689,600	10,222,726	668,148	(13,897,011)	544,654,396
Fixed asset	4,066,553	127,691	461,969	22,234	-	4,678,447
Revenue	91,871,999	2,400,091	8,994,978	1,000,878	(44,644,648)	59,623,298
Expenses	77,048,797	1,571,617	8,459,503	660,770	(44,644,648)	43,096,039
Profit before tax	14,823,202	828,474	535,475	340,108	-	16,527,259

4. Notes on changes in profit:

Consolidated profit before tax of MB in Quarter III of 2022 increased by VND **2,397,202** million compared to Quarter III of 2021, equivalent to **61.49%** due to the following reasons:

Items with material changes	**Profit before tax VND million**
Increase in profit due to increase in net interest income	2,523,435
Increase in profit due to increase in net income from commission and fee income	(142,093)
Increase in profit due to increase in net income from foreign currencies trading	45,348
Increase in profit due to increase in net gain from trading securities	(141,590)
Increase in profit due to investment securities and capital contribution and long-term investments	(95,415)
Decrease in profit due to decrease in net income from other operations	99,118
Decrease in profit due to decrease in income from capital contribution and share purchase	(2,730)
Decrease in profit due to increase in operating expenses	(705,062)
Decrease in profit due to increase in provision expenses	816,191
Total increase/(decrease) impacting to business results	**2,397,202**

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 30 Sep 2022 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	-	3,135,579	-	-	-	-	-	3,135,579
Balances with the State Bank	-	12,383,244	-	-	-	-	-	12,383,244
Cash, gold balances with and loans from other credit institutions	80,400	347,974	30,783,877	2,171,285	1,987,673	791,750	1,112,000	37,274,959
Securities held for trading	-	52,059	5,855,127	-	-	-	-	5,907,186
Financial derivatives and other financial assets	-	-	309,864	(143,826)	(15,653)	97,878	(31,578)	216,685
Loans to customers (*)	7,355,870	-	148,024,534	166,030,427	29,269,012	21,503,684	54,052,696	426,236,223
Investment securities (*)	50,000	-	10,275,210	49,508,013	11,898,355	22,086,593	49,914,002	143,732,173
Capital contribution & long-term investment (*)	-	668,398	-	-	-	-	-	668,398
Fixed asset, investment properties		4,650,003	-	-	-	-	-	4,650,003
Other Assets (*)	246,450	32,427,006	-	-	-	-	-	32,673,456
Total assets	**7,732,720**	**53,664,263**	**195,248,612**	**217,565,899**	**43,139,387**	**44,479,905**	**105,047,120**	**666,877,906**
Liabilities								
Amounts due to the Government and SBV	-	-	23,056	-	-	-	-	23,056
Deposits and borrowings from other credit institutions	-	-	35,187,975	15,807,111	6,981,397	3,770,513	1,425,000	63,171,996
Customer deposits	-	-	208,827,795	44,157,558	46,603,170	57,895,604	19,661,107	377,145,234
Funding capital, investment trust, loans to credit institutions are at risk	-	-	909,153	40,982	1,282,116			2,232,251
Valuable papers issued	-	-	2,144,399	17,584,719	25,055,641	21,759,950	35,228,454	101,773,163
Other liabilities (*)	-	36,548,613	-	-	-	-	-	36,548,613
Total liabilities	-	**36,548,613**	**247,092,378**	**77,590,370**	**79,922,324**	**83,426,067**	**56,314,561**	**580,894,313**
On-balance sheet interest sensitivity gap	**7,732,720**	**17,115,650**	**(51,843,766)**	**139,975,529**	**(36,782,937)**	**(38,946,162)**	**48,732,559**	**85,983,593**

(*): These items do not include risk provision

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 30 Sep 2022 as follows:

Unit: VND million

	Converted USD	*Converted EUR*	*Converted other currencies*	*Total*
Assets				
Cash, gold and gemstones	335,177	53,013	47,509	435,699
Balance with the SBV	4,494,538	2,523,131	288,292	7,305,961
Cash, gold deposits at and loans to other credit institutions	5,083,744	1,287,400	1,786,226	8,157,370
Financial derivatives and other financial assets	420,171	1,194,295	(1,192,367)	422,099
Loans to customers	19,168,884	-	369,540	19,538,424
Investment securities	-		80,543	80,543
Capital contribution & long-term investments	-	2,341	-	2,341
Fixed assets and investment properties	5,196	-	1,878	7,074
Other assets	6,184,497	22,299	61,085	6,267,881
Total assets	**35,692,207**	**5,082,479**	**1,442,706**	**42,217,392**
Liabilities				
Deposits at and borrowing from other CIs	18,937,906	20,037	209,371	19,167,314
Customer deposits	17,070,960	5,082,268	638,357	22,791,585
Financial derivatives and other financial liabilites	-	-	-	-
Others liabilities	444,909	28,563	103,699	577,171
Total liabilities	**36,453,775**	**5,130,868**	**951,427**	**42,536,070**
On balance sheet currency position	**(761,568)**	**(48,389)**	**491,279**	**(318,678)**
Off balance sheet currency position	89,700	77,603	72,251	239,554
On and Off balance sheet currency position	**(671,868)**	**29,214**	**563,530**	**(79,124)**

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 30 Sep 2022 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	-	3,135,579	-	-	-	-	3,135,579
Balances with the SBV	-	12,383,244	-	-	-	-	12,383,244
Balances with and loans to other credit institutions - gross	80,400	30,783,876	2,164,285	2,801,398	1,445,000	-	37,274,959
Securities held for trading - gross	-	5,907,186	-	-	-	-	5,907,186
Financial derivatives and other financial assets	-	81,864	(1,326)	167,725	(31,578)	-	216,685
Loans to customers - gross	7,355,870	26,741,019	64,312,406	135,017,042	115,638,515	77,171,371	426,236,223
Investment securities – gross	50,000	1,282,473	15,835,142	30,749,979	43,552,254	52,262,325	143,732,173
Capital contribution & long-term investment – gross	-	-	-	-	668,398	-	668,398
Fixed asset, Investment properties	-	-	-	-	4,650,003	-	4,650,003
Other Assets – gross	246,450	29,358,173	907,429	1,756,422	402,600	2,382	32,673,456
Total Assets	**7,732,720**	**109,673,414**	**83,217,936**	**170,492,566**	**166,325,192**	**129,436,078**	**666,877,906**
Liabilities							
Amounts due to the Government and SBV	-	23,056	-	-	-	-	23,056
Deposits and borrowings from other credit institutions	-	35,187,976	15,807,111	10,751,909	1,425,000		63,171,996
Customer deposits	-	208,827,794	44,157,558	104,498,775	19,642,050	19,057	377,145,234
Financial derivatives and other financial assets	-	909,154	40,981	1,141,489	119,090	21,537	2,232,251
Loan granted from others borrowed and entrusted funds	-	2,139,429	17,589,688	46,815,592	26,704,142	8,524,312	101,773,163
Other liabilities (*)	-	36,548,613	-	-	-	-	36,548,613
Total Liabilities	**-**	**283,636,022**	**77,595,338**	**163,207,765**	**47,890,282**	**8,564,906**	**580,894,313**
Net liquidity gap	**7,732,720**	**(173,962,608)**	**5,622,598**	**7,284,801**	**118,434,910**	**120,871,172**	**85,983,593**

(*): Risk provisions excluded.

6. *Exchange rates of some currencies at the balance sheet date*

	30/09/2022 VND	*31/12/2021 VND*
USD	23,750.00	22,915.00
EUR	23,516.00	26,210.00
GBP	26,545.00	31,215.00
JPY	165.55	199.12
CHF	24,492.00	25,052.50
AUD	15,579.50	16,694.00
CAD	17,486.50	18,014.50
SGD	16,710.00	16,977.00
KHR	5.48	5.90
THB	634.50	684.78
SEK	2,150.86	2,586.96

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
…../……/2022