Military Commercial Joint Stock Bank B02a/TCTD

` **Address: No. 18 Le Van Luong Street – Cau Giay District– Hanoi**

SEPARATE BALANCE SHEET

QUARTER III/2022 - 30 Sep 2022

	Note	***30/09/2022***	***31/12/2021 audited***
		VND million	*VND million*
ASSETS			
Cash, gold and gemstones	**III.1**	**3,153,378**	**3,473,732**
Balance with the State Banks ("SBs")	**III.2**	**12,331,953**	**38,041,371**
Cash and gold deposits at and loans to other credit institutions ("CIs")	**III.3**	**37,390,939**	**38,232,485**
Trading securities	**III.4**	**5,155,151**	**5,614,680**
Trading securities		5,155,151	5,614,680
Allowance for trading securities			-
Financial derivatives and other financial assets	**III.17**	**102,700**	**273,739**
Loans to customers		**391,836,396**	**333,166,837**
Loans to customers	III.5	400,108,597	341,285,497
Allowance for loans losses to customers	III.6	(8,272,201)	(8,118,660)
Debt purchase activities	**III.7**	**-**	**1,766**
Debt purchase		3,585	3,585
Allowance for debt purchase activities		(3,585)	(1,819)
Investment securities	**III.8**	**137,466,837**	**123,932,138**
Available-for-sale investment securities	III.8.1	135,916,513	122,210,871
Held-to-maturity investment securities	III.8.2	1,984,235	2,139,335
Allowance for diminution of investment securities	III.8.3	(433,911)	(418,068)
Capital contribution & long-term investment	**III.9**	**5,321,413**	**5,322,641**
Investment in subsidiaries	III.9.1	4,980,566	4,980,566
Investment in associates			-
Other long-term investments	III.9.2	373,982	374,850
Allowances for diminution in the value of capital contribution & long-term investments	III.9.3	(33,135)	(32,775)
Fixed asset		**3,774,970**	**3,955,265**
Tangible fixed assets	*III.10*	*2,768,165*	*2,938,131*
Cost of tangible fixed assets		5,839,966	5,550,476
Accumulated depreciation of tangible fixed assets		(3,071,801)	(2,612,345)
Intangible fixed assets	*III.11*	*1,006,805*	*1,017,134*
Cost of intangible fixed assets		2,513,654	2,270,222
Accumulated amortization of intangible fixed assets		(1,506,849)	(1,253,088)
Other Assets		**23,093,254**	**24,994,999**
Receivables	III.12	17,010,131	20,374,777
Accrued interest and fee receivables		5,185,962	3,911,181
Other Assets	III.13	917,169	729,049
Of which, Goodwill		*28,568*	*38,090*
Allowance for other on balance sheet assets		(20,008)	(20,008)
TOTAL ASSETS		**619,603,897**	**577,009,653**

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

SEPARATE BALANCE SHEET (cont.)
QUARTER III/2022 - 30 Sep 2022

	Note	*30/09/2022* VND million	*31/12/2021 audited* VND million
LIABILITIES			
Amounts due to the Government and State Bank	**III.14**	**23,056**	**262,281**
Deposits and borrowings from other CIs	**III.15**	**50,099,412**	**46,808,878**
Customer deposits	**III.16**	**380,791,187**	**388,999,132**
Financial derivatives instruments and other financial liabilities	**III.17**		**-**
Loan granted from other borrowed and entrusted funds	**III.18**	**163,141**	**241,489**
Valuable papers issued	**III.19**	**97,773,504**	**64,093,019**
Other liabilities		**21,279,871**	**19,285,955**
Accrued interest and fee payables		6,294,066	5,144,992
Other liabilities	III.20	14,985,769	14,140,963
Provision for other liabilities		36	-
TOTAL LIABILITIES		**550,130,171**	**519,690,754**
SHAREHOLDERS' EQUITY			
Capital		***38,652,545***	***38,652,545***
Charter capital		37,783,218	37,783,218
Share premium		869,327	869,327
Treasury shares			-
Fund		9,004,911	7,064,606
Retained earnings		***21,816,270***	***11,601,748***
TOTAL SHAREHOLDERS' EQUITY	**III.21**	**69,473,726**	**57,318,899**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**619,603,897**	**577,009,653**

Military Commercial Joint Stock Bank B02a/TCTD

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

SEPARATE BALANCE SHEET (cont.)

QUARTER III/2022 - 30 Sep 2022

SEPARATE OFF-BALANCE SHEET ITEMS

		30/09/2022	***31/12/2021 audited***
		VND million	*VND million*
Loan guarantee		**159,116**	**163,039**
LC commitments		**31,311,251**	**34,857,504**
Other guarantee		**108,299,139**	**102,801,455**
Foreign exchange commitments		**252,740,112**	**248,479,808**
Foreign exchange purchase commitments		9,412,816	1,734,746
Foreign exchange sell commitments		7,085,867	2,196,936
Swap purchase commitments		118,134,416	122,347,042
Swap sales commitments		118,107,013	122,201,084
Other commitments	**V.1**	**68,823,376**	**64,185,908**
		461,332,994	**450,487,714**

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 Finance 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

SEPARATE STATEMENT OF INCOME
QUARTER III/2022 - 30 Sep 2022

		Accruals on Quarter III		*Accumulative from the beginning of the year to the end of Quarter*	
		Current year	*Previous year*	*Current year*	*Previous year*
	Notes	*VND million*	*VND million*	*VND million*	*VND million*
Interest and similar income		11,151,604	8,497,377	9,977,153	25,059,955
Interest and similar expenses		(3,912,838)	(3,096,406)	(3,234,588)	(9,295,622)
Net interest income	**IV.1**	**7,238,766**	**5,400,971**	**6,742,565**	**15,764,333**
Fee and commission income		837,210	583,079	854,724	2,241,130
Fee and commission expenses		(471,930)	(262,179)	(413,226)	(785,593)
Net fee and commission income	**IV.2**	**365,280**	**320,900**	**441,498**	**1,455,537**
Net gain/(loss) from trading of foreign currencies	**IV.3**	**407,161**	**353,866**	**465,338**	**913,249**
Net gain/(loss) from trading securities	**IV.4**	**-**	**4,792**	**9,777**	**1,315,447**
Net gain from investment securities and long-term capital contributions/investments	**IV.4**	**164,495**	**295,807**	**1,220,292**	**1,294,140**
Net other income	**IV.5**	**476,122**	**495,080**	**1,445,448**	**2,215,602**
Income from capital contribution and share purchase	**IV.6**	**-**	**155,480**	**303,588**	**194,604**
TOTAL OPERATING INCOME		**8,651,824**	**7,026,896**	**26,684,905**	**21,858,772**
TOTAL OPERATING EXPENSES	**IV.7**	**(2,690,108)**	**(2,177,084)**	**(8,093,195)**	**(6,548,540)**
Net operating profit before allowance and provision expenses		**5,961,716**	**4,849,812**	**18,591,710**	**15,310,232**
Allowance and provision expenses	**IV.9**	**(235,682**	**(1,381,836)**	**(2,173,276)**	**(4,804,088)**
TOTAL PROFIT BEFORE TAX		**5,726,034**	**3,467,976**	**16,418,434**	**10,506,144**
Current corporate income tax expense	IV.11	(1,146,273)	(660,999)	(3,221,581)	(2,058,982)
NET PROFIT AFTER TAX		**4,579,761**	**2,806,977**	**13,196,853**	**8,447,162**

Military Commercial Joint Stock Bank

Address: No. 18 Le Van Luong Street, Cau Giay District, Hanoi B03a/TCTD

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 Finance 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 B05a/TCTD

CASH FLOWS STATEMENT (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 income received		30,566,016	24,181,227
Interest and similar expenses paid		(9,579,869)	(8,968,802)
Net fee and commission income received		1,255,213	1,455,537
Net receipts from trading activities (foreign currencies, securities)		2,568,800	2,282,462
Other incomes/(expenses)		511,161	392,133
Proceeds from loans settled/written off		934,026	1,821,231
Allowance payment to employees and for other operating activities		(7,315,784)	(6,369,983)
Corporate income tax paid for the period		(1,815,137)	(1,273,881)
Net cash flows from operating activities before changes in operating assets and liabilities		**17,124,426**	**13,519,924**
Changes in operating assets		***(64,034,610)***	***(60,413,771)***
(Increase)/decrease in cash and gold balances with loans to other credit institutions		6,454,452	(2,379,194)
(Increase)/decrease in securities held for trading		(13,091,013)	(18,085,053)
(Increase)/decrease in financial derivatives and other financial assets		171,039	(220,385)
(Increase)/decrease in loans to customers		(58,823,100)	(34,304,280)
Decrease in provision for impairment (loan, securities, investment)		(2,030,520)	(1,843,264)
(Increase)/decrease in other assets		3,284,532	(3,581,595)
Changes in operating liabilities		***24,902,647***	***44,532,709***
		(239,225)	-
Increase/(decrease) in borrowings from the Government and State Banks			
Increase/(decrease) in deposits from other credit institutions		3,290,534	11,778,729
Increase/(decrease) in deposits from customers		(8,207,945)	33,881,104
Increase/(decrease) in bonds and valuable papers issued		31,760,485	2,292,440
Increase/(decrease) in other borrowed and entrusted funds		(78,348)	(64,490)
Increase/(decrease) in financial derivatives		-	-
Increase/(decrease) in other liabilities		(1,423,779)	(2,998,389)
Utilization of reserves		(199,075)	(356,685)

Net cash flows from operating activities		**(22,007,537)**	**(2,361,138)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for purchases of fixed assets		(637,995)	(646,288)
Expenses for disposals of fixed assets		261	2,238
Cash inflow/(outflow) for investment in, capital contribution to other entities (Sales/(Purchase) of investment in subsidiaries, capital contribution, and other long-term investment)		17,003	(558,035)
Cash dividend received during the period		268,320	88,232
Net cash flows from investment activities		**(352,411)**	**(1,113,853)**

CASH FLOW STATEMENT (direct method)
QUARTER III/2022 - 30 Sep 2022

	Notes	***Period from 01/01/2022 to 30/09/2022*** *VND million*	***Period from 01/01/2021 to 30/09/2021*** *VND million*
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in share capital and capital surplus in cash		-	-
Dividends paid to shareholders		1,920,000	-
Cash inflow/(outflow) from (sales/purchase) of treasury stock		-	-
Net cash flows from (used in) financing activities		**1,920,000**	**-**
Net cash flows during the period		**(20,439,948)**	**(3,474,991)**
Opening balance of cash and cash equivalents		**69,982,173**	**66,932,007**
Closing balance of cash and cash equivalents	**IV.12**	**49,542,225**	**63,457,016**

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 Finance Officer	Mr. Luu Trung Thai Chief Executive Officer

Hanoi, Vietnam
…../…../2022

Reporting entity: Military Commercial Joint Stock Bank **Form: B05a/TCTD-HN**
Address: No. 18 Le Van Luong Street – Cau Giay District – Hanoi

NOTES TO THE SEPARATE 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 Operation License No. 100/NH-GP dated 17th October 2018 issued by the Governor of the State Bank of Vietnam ("SBV"), replaced Operating License No. 0054/NH-GP dated 14th September 1994 with an operation duration of 99 years, starting from 14th September 1994.

2. Form of ownership: Shares

3. Composition of Board of Directors

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

4. Composition of Supervisory Board

Full name	*Position/Date of appointment/reappointment*
Ms. Le Thi Loi	Head of Supervisory Board
Ms. Nguyen Thi An Binh	Vice Head of Supervisory Board
Ms. Do Thi Tuyet Mai	Member
Ms. Pham Thu Ngoc	Member (dismiss from 25/04/2022)
Mr. Do Van Hung	Member

5. Composition of Board of Management

Full name	*Date of appointment*
Mr. Luu Trung Thai	Chief 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
Ms. Nguyen Minh Chau	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
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 transaction office) and 1 Representative office in Russia Federation.

As at 30th Sep 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 Sep 2002, issued by Hanoi Department of Planning and Investment	Debt and Asset Management	100.00%
2	MB Securities Joint Stock Company ("MBS")	116/GPDC-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%

7. Total number of employees

As at 30th Sep 2022, the Bank had **9,784** employees (excluding subsidiaries).

II- ACCOUNTING STANDARDS AND SYSTEM

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

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

2. Accounting standards and system

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

- Decision No. 149/2001/QD-BTC dated 31st December 2001 on the issuance and publication of Four Vietnamese Accounting Standards (phase 1);
- Decision No. 165/2002/QD-BTC dated 31st December 2002 on the issuance and publication of Six Vietnamese Accounting Standards (phase 2);

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

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

The separate financial statement of Bank is to reflect the Bank's financial position and business performance, including those of the Bank's Head Office and branches.

3. Fiscal year

The Bank's fiscal year is from 01st January to on 31st December.

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

The accounting policies adopted by MB in the preparation of interim separate financial statements are consistent with those followed in the preparation of MB's separate financial statements for the year ended 31st December 2021.

6. Cash and cash equivalents

Cash and cash equivalents consist of cash, gold and gemstones, balances with the State Bank of Vietnam, government bills and other short-term valuable papers eligible for SBV discount, current account and deposits with other credit institutions with maturity of less than three months from the date of granting and short-term investments with original terms not exceeding three months, with high liquidity and can be easily converted into defined amount of cash and do not have much risk in conversion into cash.

7. Deposits with and loans to other credit institutions

Deposits with and loans to other credit institutions are disclosed and presented at the amount of principal outstanding at the end of the fiscal year.

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 30th, 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 recorded and presented in a separate line on the separate 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 9th, 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 13th, 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 02nd 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 7th, 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 30th 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 Clause 2, Clause 3, Article 10 of Circular 11/2021.	Loans are assessed as fully recoverable, both principal and interest, but there are signs of deterioration of customers' ability to repay.	5%
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%

Loan group		Loan classification according to quantitative method	Loan classification according to qualitative method	Provision rate
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 Clause 2, Clause 3, Article 10 of Circular 11/2021.	Loans are assessed as having high potential for losses.	50%
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	Loans are assessed as no longer recoverable, losing capital.	100%

Loan group		Loan classification according to quantitative method	Loan classification according to qualitative method	Provision rate
		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.		

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 December 31st, 2021: At least 30% of the specific provision must be additionally deducted;
  + As of December 31st, 2022: At least 60% of the specific provision must be made additional;
  + As of December 31st, 2023: 100% of the specific provision must be additionally deducted.

General provisions

General allowance as at 30th Sep 2022 is equal to 0.75% of the total balance as at 30 September 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

The Bank's debt purchase and sale are recognized in accordance with the State Bank's Circular No. 09/2015/TT-NHNN ("Circular 09/2015") on debt purchase and sale activities of the State Bank for credit, 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 purchase and sale of the debt. 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 separate balance sheet.

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

Debt purchase activities

With respect to purchased liabilities, the Bank classifies the amount paid to purchase the debt into the group with a risk level no less than the group for 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 interest on a debt including interest is collected before the Bank buys the debt, the Bank shall allocate the interest on the following principles: (i) write down the value of the debt purchase. interest before 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 that are 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 the Bank'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 the collective and must compensate according to regulations), the insurance money of the insurance organization and the risk reserve fund have been appropriated in the year, the deficit is recorded into the business expenses of the Bank 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 the Bank.

11. Trading securities

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 at the end of fiscal year. Provision for impairment is recognized in the income statement in the item “Net gain / (loss) from trading securities, investment securities and long-term investments”.

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 provision for risks in accordance with Circular 11/2021 as presented in Note 9.

Gains or losses from sales of trading securities are recognized in the income statement. Trading securities are derecognized when any entitlement to receive cash flows from these securities has expired or the Bank has transferred substantially all risks and rewards of ownership.

12. Investment securities

12.1 Available-for-sale investment securities

Available-for-sale investment securities include debt securities and equity securities held by the Bank for investment and available-for-sale purposes that are not regular buy-in and sell securities but can be sold at any time whenever it is considered beneficial.

Equity securities recorded as available-for-sale investment securities are securities listed on equity securities markets, recorded at cost on the transaction date and always reflected at cost during the period next time holding.

Debt securities are recognized at par value on the transaction date. The accrued interest of a security before buying (for debt security with interest payment later) or interest received in advance waiting for allocation (for debt securities with interest payment in advance) is reflected in a separate account. The discount / premium is the negative / positive difference between the original price and the value of the amount including par value plus (+) accrued interest before the purchase (if any) or minus (-) the interest received in advance, awaiting allocation (if applicable) is also reflected on a separate account.

During the next holding period, these debt securities are recognized at par value and discount / premium (if any) is amortized to the separate statement of income on a straight-line basis over the period estimated residual stock. Interest received during the holding period of securities is recognized on the following principles: Interest accrued before buying is reduced to the value of the accrued interest account, and interest accrued after the purchase date. Recognize the Bank's income on the accrual basis. Interest received in advance is amortized to the securities investment interest income on a straight-line basis over the term of securities investment.

Available-for-sale securities are subject to impairment review periodically.

Available-for-sale securities are subject to impairment when their carrying amount is higher than the market price. In case the market value of securities cannot be determined, an allowance will not be made for securities. Provision for impairment is recognized in the separate statement of income in the item "Net gain from trading securities trading, investment securities and long-term investments".

For corporate bonds unlisted on the stock market or registered for trading on the transaction market of unlisted public enterprises, the Bank shall make provisions for credit risks in accordance with the Circular 11/2021 as described in Note 9.

12.2 Held-to-maturity securities

Held-to-maturity investment securities are debt securities purchased by the Bank for investment purposes to earn interest and the Bank has the intention and ability to hold these securities to maturity. Held-to-maturity investment 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 investment securities are recognized and measured in the same way as available-for-sale investment securities are presented in Note 12.1.

13. Investment in Subsidiaries

Investments in subsidiaries which the Bank controls are presented at cost of acquisition. The Bank’s share of year-to-date profits from the subsidiaries will be recorded from the date the Bank took control in Bank’s separate income statement.

Losses for investments in subsidiaries are made separately for loss investments and are considered at the end of the accounting year. The Bank makes a provision for investments in subsidiaries if there is solid evidence that there is a decrease in the value of these investments by the balance sheet date. Increase or decrease in the reserve account balance is recognized in the item “Net gain / (loss) from trading securities, investment securities and long-term investments” in the separate income statement.

14. Other long-term investments

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

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

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

Increase or decrease in provision for long-term investments is recognized in the "Net gain / (loss) from trading securities, investment securities and long-term investments" in the separate income statement.

15. Tangible fixed asset

Tangible fixed assets are recognized at cost less accumulated depreciation.

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

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

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

16. Depreciation and amortization

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

Building and structures	6-25 years
Machines and equipment	3-7 years
Means of transportation	6 years
Other tangible fixed assets	3-4 years
Land use right	30-50 years
Computer software	3 years

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

17. Receivables

17.1 Receivables are classified as credit-risk assets

Receivables classified as credit-risk assets are recognized at cost and are classified by the Bank and made provision for risks in accordance with Article 10 of Circular 11/2021 as are presented in Note 9.

17.2 Other Receivables

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

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

For overdue receivables, the provision rates are as follows:

Overdue period	*Provision rate*
From over six (06) months up to 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

Amortization costs comprise short-term prepayments or long-term prepayments on a separate balance sheet and are amortized over the prepayment period or the time when corresponding economic benefits are generated. out from these costs.

19. Goodwill

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 acquire, the difference will be recognized in the separate statement of income. Goodwill is determined by cost less accumulated amortization after the initial recognition. Goodwill is amortized on a straight-line basis over its estimated useful lives of ten (10) years.

20. Repurchase and Resale Contracts

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

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

21. Operating lease

Operating lease payments are recognized in the separate income statement on a straight-line basis over the term of the lease. Rental commissions received are recognized in the separate income statement as an integral part of total rental expenses.

22. Debts 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 sponsorship, trust financing, and loans at risk credit institutions are announced and presented at the balance original at the end of the fiscal year. At the time of initial recognition, issue costs of bonds are reduced to a decrease in the original balance of bonds. The Bank shall amortize these expenses into item “Interest expenses and similar expenses” on a straight-line basis over the term of valuable papers.

24. Transactions in foreign currencies

All transactions of the Bank are accounted for in the original currency. At the end of the period, assets and liabilities denominated in foreign currencies are converted into VND at the exchange rate as at the date of the separate balance sheet (see details of exchange rates applicable at the balance sheet date in Note V.6). Incomes and expenses denominated in foreign currencies of the Bank are converted into VND at the exchange rate at the date of the transaction. Foreign exchange differences due to revaluation of assets and liabilities in foreign currencies into VND during the year are recognized in the separate Statement of income.

25. Payables and Accruals

Payables and accruals are recognized for the future payables related to goods and services received regardless of whether the Bank has received the supplier's invoice.

26. Capital and funds

26.1 Ordinary 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.

26.2 Share 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.

26.3 Treasury shares

Equity instruments redeemed by the Bank (treasury shares) are stated at cost and deducted from equity. The Bank does not recognize gains / (losses) when buying, selling, issuing or canceling its equity instruments.

26.4 Credit Institutions Fund

The funds are used for specific purposes and are extracted from the Bank's profit after tax in accordance with the Resolution of the General Meeting of Shareholders based on the ratios as regulated in the following order:

► 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 decisions of the General Meeting of Shareholders.

27. Recognition of revenue and expense

27.1 Interest income and interest expense

Interest income and interest expense are recognized in the separate 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 statement. own business performance. Accrued interest on these debts is recorded on off-balance sheet account and recognized in the separate statement of income when the Bank actually collects it.

27.2 Banking service fees

Banking service fees are recognized when the service is rendered.

27.3 Revenue from investment activities

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

Cash dividends are recognized in the separate statement of income when the Bank's right to receive cash dividends is established.

Dividends received in the form of shares, bonus shares and stock options for existing shareholders, shares divided from undistributed earnings are not recognized as an increase in the value of the investment and are not The recognition is an income of the Bank that only updates the number of shares.

27.4 Revenue from other services

When the contract results can be determined with certainty, 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.

27.5 Accounting for receivable but unrecognized revenue

According to Circular No. 16/2018 / TT-BTC dated February 7th, 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 revenues are recorded into income but then assessed as non-collecting or when the collection is due, the Bank shall record a decrease in revenue in the same accounting period or to expenses if different in the accounting period and according to Watch off the table to urge revenue. Upon receipt of these amounts, the Bank will record it as Income on the separate statement of income.

28. 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 separate balance sheet.

Current income taxes are recognized in the separate 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.

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

Deferred income tax

Deferred income tax is identified as temporary differences between payable assets and liabilities subject to income tax and their book value presented on separate financial statements as at balance sheet date.

Deferred income tax liabilities are recognized for all taxable temporary differences except where the income tax arises in relation to an item that is credited to equity, in which case the tax. Deferred income is also recorded directly into equity.

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. Previously unrecognized deferred tax assets are reconsidered at the balance sheet date and recognized when there is certain future taxable profit available for the use of the tax assets. Unrecognized deferred income. 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

29. *Currency derivative* contracts

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.

30. Employee’s benefits

30.1. 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.

30.2. Voluntary severance allowance and job loss allowance

Voluntary severance allowance: According to Article 46 of Vietnam Labor Code 45/2019/QH14 effective from 1st 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 31st 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.

30.3. Unemployment allowance

According to Circular No. 32/2010/TT-BLDTBXH guiding the implementation of Decree No. 127/2008/ND-CP on Unemployment insurance, from 1st January 2009, the Bank is obligated to pay 1% of the salary fund for unemployment insurance for the participants and concurrently deduct 1% of salary or wage of each unemployment insurance participating employee for payment of unemployment insurance into Unemployment Insurance Fund.

31. Business Segment reports

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.

32. 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.

33. 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	2,694,910	2,948,715
Cash in foreign currencies	427,981	518,120
Gold	7,393	6,897
	3,130,284	**3,473,732**

2. Balances with State banks

	30/09/2022 VND million	*31/12/2021 VND million*
Balances with the State Bank of Vietnam	10,965,653	36,554,477
- *In VND*	*5,025,992*	*30,178,201*
- *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
	12,331,953	**38,041,371**

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		
Demand deposit		
- *In VND*	*966,182*	*120,402*
- *In foreign currencies, gold*	*4,592,945*	*2,606,846*
Term deposit		
- *In VND*	*27,184,800*	*22,004,930*
- *In foreign currencies, gold*	*1,352,378*	*3,745,711*
Loans to other credit institutions		
In VND	1,163,587	4,140,552
In foreign currencies, gold	2,211,914	5,694,900
Allowance for loans losses of loans to other CIs	(80,867)	(80,856)
	37,390,939	**50,248,113**

4. Trading securities

	30/09/2022 VND million	*31/12/2021 VND million*
Debt securities	**5,155,151**	**5,614,680**
Debt securities issued by Government	382,100	1,618,250
Debt securities issued by domestic FI	4,773,051	3,996,430
Equity securities	-	-
	-	-
Allowance for diminution in the value of trading securities	**5,155,151**	**5,614,680**

5. Loans to customers

	30/09/2022 VND million	*31/12/2021 VND million*
Loans to domestic economic entities and individuals	396,196,256	337,008,421
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
	400,108,597	**341,285,497**

- ***Loan quality analysis:***

	30/09/2022 VND million	*31/12/2021 VND million*
Current loans	393,756,889	336,767,464
Special-mentioned loans	3,268,896	2,189,855
Sub-standard loans	701,923	750,201
Doubtful loans	896,950	780,241
Loss	1,483,939	797,736
	400,108,597	**341.285.497**

- ***Analysis of outstanding loans by term:***

	30/09/2022 VND million	*31/12/2021 VND million*
Short-term	195,168,694	163,364,767
Mid-term	53,566,581	39,405,440
Long-term	151,373,322	138,515,290
	400,108,597	**341,285,497**

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

	30/09/2022 VND million	*%*	*31/12/2021 VND million*	*%*
Loans to economic entities	**210,608,920**	**52.64**	**186,357,804**	**54.61**
State-owned enterprises	19,696,789	4.92	18,440,306	5.40
One-member limited liability companies with 100% State-owned capital	6,247,253	1.56	4,629,942	1.36
Limited liability companies with more than one members with more than 50% State-owned capital	920,448	0.23	757,889	0.22
Other limited liability companies	69,927,346	17.48	66,503,725	19.49
Joint Stock companies with more than 50% State-owned Capital (the State holds dominating shares)	2,915,738	0.73	3,143,279	0.92
Other joint stock companies	101,772,435	25.44	85,421,224	25.03
Foreign invested enterprises	9,014,401	2.25	7,370,440	2.16
Cooperatives and cooperative unions	114,510	0.03	90,999	0.03
Loans to individuals	**186,850,944**	**46.70**	**152,072,652**	**44.56**
Household business, individuals	186,850,944	46.70	152,072,652	44.56
Other loans	**105,210**	**0.03**	**96,612**	**0.03**
Administrative, Communist Party, Union and Association units	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**	**0.63**	**2,758,429**	**0.80**

Loans to Enterprises	2,088,315	0.52	2,167,099	0.63
Loans to individuals	455,208	0.11	591,330	0.17
	400,108,597	**100.00**	**341,285,497**	**100.00**

- ***Analysis of outstanding loans by sectors***

	30/09/2022 VND million	*%*	*31/12/2021 VND million*	*%*
Agriculture, Forestry, Fishery	4,571,325	1.14	3,506,228	1.03
Mining	3,142,049	0.79	2,980,179	0.87
Manufacturing and processing	65,429,621	16.35	53,107,960	15.56
Production & Distribution of Power, Gas, Hot Water, Steam and Air-Conditioner	31,286,072	7.82	30,741,006	9.01
Water supply, management & treatment of garbage & sewage	730,954	0.18	676,925	0.20
Construction	23,157,393	5.79	22,523,216	6.60
Wholesale, Retail & Repair of Automobiles, Motorbikes and other Automotive Vehicles	100,908,915	25.22	81,361,737	23.84
Transportation, Warehousing	7,600,922	1.90	6,364,695	1.86
Hospitality services	8,676,369	2.17	9,021,897	2.64
Information & Communication	1,764,635	0.44	1,861,184	0.55
Finance, Banking and Insurance	772,488	0.19	2,439,625	0.71
Real estate trading	18,995,475	4.75	12,632,155	3.70
Professional, scientific & technological activities	511,078	0.13	519,234	0.15
Administration & Supporting services	537,822	0.13	435,207	0.13
Education & Training	473,236	0.12	534,630	0.16
Healthcare and social work	3,510,760	0.88	3,199,312	0.94
Arts, entertainment and recreation	2,649,554	0.66	3,007,047	0.88
Other services	156,942	0.04	148,658	0.04
Working in the households, producing household self-consumed products and services	122,689,464	30.67	103,466,173	30.33
Loans at Foreign branches	2,543,523	0.63	2,758,429	0.80
	400,108,597	**100.00**	**341,285,497**	**100.00**

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

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 the beginning	5,634,006	2,454,824	8,088,830	7,091	22,739	29,830	5,641,097	2,477,563	8,118,660
Allowance made / reversed during the period	1,703,203	470,192	2,173,395	(582)	(1,336)	(1,918)	1,702,621	468,856	2,171,477
Utilized allowances	(2,016,567)	-	(2,016,567)	-	-	-	(2,016,567)	-	(2,016,567)
Adjustment for exchange rate	-	-	-	(1,042)	(327)	(1,369)	(1,042)	(327)	(1,369)
Balance as at the end of period	**5,320,642**	**2,925,016**	**8,245,658**	**5,467**	**21,076**	**26,543**	**5,326,109**	**2,946,092**	**8,272,201**

Movements in the allowance for loans losses for the fiscal year 2021 include the following items:

Unit: VND million

	In Vietnam			*In foreign branches*			*Total*		
	Specific Allowance	*General Allowance*	*Total*	*Specific Allowance*	*General Allowance*	*Total*	*General Allowance*	*General Allowance*	*Total*
Balance as the beginning	1,983,319	2,055,837	4,039,156	61,794	27,306	89,100	2,045,113	2,083,143	4,128,256
Allowance made / reversed during the period	5,866,196	398,987	6,265,183	2,754	(3,749)	(995)	5,868,950	395,238	6,264,188
Utilized allowances	(2,215,509)	-	(2,215,509)	(50,876)	-	(50,876)	(2,266,385)	-	(2,266,385)
Adjustment for exchange rate	-	-	-	(6,581)	(818)	(7,399)	(6,581)	(818)	(7,399)
State Audit adjustment	-	-	-						
Balance as at the end	**5,634,006**	**2,454,824**	**8,088,830**	**7,091**	**22,739**	**29,830**	**5,641,097**	**2,477,563**	**8,118,660**

7. Debt Purchase Activities

	30/09/2022 VND mil	*31/12/2021 VND mil*
Debt Purchase in VND	3,585	3,585
Allowance	(3,585)	(1,819)
	-	**1,766**

Details of the principal and interest value of debts purchased from the Bank are as follows:

	30/09/2022 VND mil	*31/12/2021 VND mil*
Principal purchased	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 VND million	*31/12/2021 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
	(ii)	58,518,668	44,366,033
Debt securities issued by other credit institutions	(iii)	44,668,306	38,888,003
Debt securities issued by domestic economic entities		**135,916,513**	**122,210,871**
Allowance for diminution in the value of available-for-sale securities		**(369,404)**	**(352,398)**
		135,547,109	**121,858,473**

(i) *Debt securities issued by the Government and Debt securities guaranteed by the Government* include bonds with 3-year to 20-year term at annual interest rates from 2% to 8,8%/year,

(ii) D*ebt securities issued by other credit institutions* include bonds with 3-month to 7-year term at annual interest rates from 2,1% to 8,30%/year,

(iii) *Debt securities issued by domestic economic* entities include bonds with 2 months to 15-year term at 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 other credit institutions	(i)	50,000	50,000
Bonds issued by domestic economic entities	(ii)	1,934,235	2,089,335
		1,984,235	**2,139,335**

Allowance for diminution in the value of held-to-maturity investment securities	**(64,507)**	**(65,670)**
	1,919,728	**2,073,665**

(i) *Bonds issued by other credit institutions* with 5-year term at annual interest rates from 9%/year,

(ii) *Bonds issued by domestic economic entities* include bonds with 4-year to 10-year term at annual interest rates from 8,9% to 10,5%/year,

9. Capital contribution & long-term investment

Details of long-term investments items as at 30 Sep 2022 and 31 December 2021 are as follows:

	31/03/2022 VND million	*31/12/2021 VND million*
Investment in subsidiaries	4,980,566	4.980.566
Other long-term investments	373,982	374.850
	5,354,548	**5.355.416**
Allowance for diminution in the value of long-term investments	**(33,135)**	**(32.775)**
	5,321,413	**5,322,641**

9.1. Investments in Subsidiaries

Details of investments in subsidiaries as at 30 Sep 2022 and 31 December 2021 are as follows:

	30/09/2022		*31/12/2021*	
	Cost VND	*% owned by Bank*	*Cost VND*	*% owned by Bank*
Military Commercial Joint Stock Assets Management Company Limited	665,862	100,00%	665,862	100,00%
MB Securities Joint Stock Company	1,826,429	79,42%	1.826.429	79,42%
MB Capital Management Joint Stock Company	293,900	90,77%	293,900	90,77%
MB Shinsei Finance Company Limited (“MCredit”)	400,000	50,00%	400,000	50,00%
Military Insurance Joint Stock Corporation (“MIC”)	879,375	68,37%	879,375	68,37%
MB Ageas Life Insurance Company Limited	915,000	61,00%	915,000	61,00%
	4,980,566		**4,980,566**	

9.2. Other long-term investments

Details of other capital contributions & long-term investments as at 30 Sep 2022 and 31 December 2021 are as follows:

	30/09/2022 VND million	*31/12/2021 VND million*
Investment in economic entities	373,982	374,850
	373,982	**374,850**

9.3. Allowance for diminution of investment securities and capital contributions/long-term investments

	30/09/2022 *VND million*	*31/12/2021* *VND million*
Allowance for diminution of investment securities	433,911	418,068
Allowances for diminution of capital contribution & long-term investments	33,135	32,775
	467,046	**450,843**

9.3.1. Allowance for diminution of investment securities

	30/09/2022 *VND million*	*31/12/2021* *VND million*
Available-for-sale investment securities	369,404	352,398
Held-to-maturity investment securities	64,507	65,670
	433,911	**418,068**

9.3.2. Allowances for diminution of long-term capital contribution & investments

	30/09/2022 *VND million*	*31/12/2021* *VND million*
Investment in Subsidiaries	-	-
Other capital contributions / long-term investments	33.135	32,775
	33.135	**32,775**

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	2,341,269	1,636,173	1,267,382	305,652	5,550,476
Increase during the period	95	265,202	38,336	30,950	334,583
Decrease during the period	-	(41,916)	(476)	(557)	(42,949)
Adjustment for exchange rates	291	(1,674)	(591)	(170)	(2,144)
Closing balance	2,341,655	1,857,785	1,304,651	335,875	5,839,966
Accumulated depreciation					
Opening balance	404,545	1,237,638	799,309	170,853	2,612,345
Increase during the period	70,446	188,665	203,061	42,171	504,343
Decrease during the period	-	(41,878)	(476)	(557)	(42,911)
Adjustment for exchange rates	222	(1,359)	(631)	(208)	(1,976)
Closing balance	475,213	1,383,066	1,001,263	212,259	3,071,801
Net book value					
Opening balance	1,936,724	398,535	468,073	134,799	2,938,131
Closing balance	1,866,442	474,719	303,388	123,616	2,768,165

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	2,246,611	1,285,447	1,163,034	259,177	4,954,269
Depreciation during the period	95,181	406,648	126,674	62,398	690,901
Decrease during the period	(405)	(54,196)	(21,690)	(15,670)	(91,961)
Adjustment for exchange rates	(118)	(1,726)	(636)	(253)	(2,733)
Closing balance	2,341,269	1,636,173	1,267,382	305,652	5,550,476
Accumulated depreciation					
Opening balance	310,255	1,079,780	568,774	135,844	2,094,653
Depreciation during the period	94,769	213,471	252,846	48,617	609,703
Decrease during the period	(389)	(54,106)	(21,690)	(13,416)	(89,601)
Adjustment for exchange rates	(90)	(1,507)	(621)	(192)	(2,410)
Closing balance	404,545	1,237,638	799,309	170,853	2,612,345
Net book value					
Opening balance	1,936,356	205,667	594,260	123,333	2,859,616
Closing balance	1,936,724	398,535	468,073	134,799	2,938,131

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*	*Total VND million*
Cost:			
Opening balance	1,084,972	1,185,250	2,270,222
Increase during the period	-	243,546	243,546
Decrease during the period	-	(273)	(273)
Adjustment for exchange rate	-	159	159
Closing balance	1,084,972	1,428,682	2,513,654
Accumulated amortization:			
Opening balance	208,178	1,044,910	1,253,088
Amortization during the period	18,109	248,146	266,255
Decrease during the period	(12,342)	(273)	(12,615)
Adjustment for exchange rate	-	121	121
Closing balance	213,945	1,292,904	1,506,849
Net book value:			
Opening balance	876,794	140,340	1,017,134
Closing balance	871,027	135,778	1,006,805

Movements in intangible fixed assets ending on 31 December 2021 are as follows:

	Definite land use rights VND million	*Computer software VND million*	*Total VND million*
Cost:			
Opening balance	1,084,972	897,346	1,982,318
Increase during the period	-	288,034	288,034
Decrease during the period	-	(95)	(95)
Adjustment for exchange rate	-	(35)	(35)
Closing balance	1,084,972	1,185,250	2,270,222
Accumulated amortization:			
Opening balance	181,857	760,471	942,328
Amortization during the period	26,321	284,573	310,894
Decrease during the period	-	(95)	(95)
Adjustment for exchange rate	-	(39)	(39)
Closing balance	208,178	1,044,910	1,253,088
Net book value:			
Opening balance	903,115	136,875	1,039,990
Closing balance	876,794	140.340	1.017.134

12. Receivables

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

Internal receivables	236,395	105,609
External receivables	16,773,736	20,269,168
	17,010,131	**20,374,777**

Details of external receivables are as follows:

	30/09/2022 VND million	*31/12/2021 VND million*
- Cost of unfinished construction	120,901	61,035
- Escrow deposit at foreign banks	186,838	529,602
- Draft Buyback LC & Upas LC	14,139,213	18,267,140
- Receivables from BankPlus service	425,446	1,793
- Receivables from payment service	150,757	659,299
- Advances and deposits for contract	1,278,954	498,628
- Other receivables	471,627	251,671
	16,773,736	**20.269.168**

13. Other Assets

	30/09/2022 VND million	*31/12/2021 VND million*
Deferred expenses	840,315	611,489
Goodwill	28,568	38,090
Other assets	48,286	79,470
	917,169	**729,049**

14. Provision for other on-balance sheet assets

	30/09/2022 VND million	*31/12/2021 VND million*
Provision for bad receivables	20,008	20,008
	20,008	**20,008**

15. Borrowings from the Government and SBV

	30/09/2022 VND million	*31/12/2021 VND million*
- *Deposit at State Treasury*	23,056	262,281
	23,056	**262,281**

16. Deposits and borrowings from other credit institutions

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

	VND million	VND million
Demand deposits from other credit institutions	881,196	587,675
- *In VND*	*786,852*	*528,595*
- *In gold and foreign currencies*	*94,344*	*59,080*
Term deposits from other credit institutions	25,932,550	10,662,735
- *In VND*	*25,700,000*	*7,290,931*
- *In gold and foreign currencies*	*232,550*	*3,371,804*
Borrowings from other credit institutions	23,285,666	35,558,468
- *In VND*	*10,487,329*	*16,406,763*
- *In gold and foreign currencies*	*12,798,337*	*19,151,705*
	50,099,412	**46,808,878**

17. Customer deposits

- Notes to deposits by type:

	30/09/2022 VND million	*31/12/2021 VND million*
Demand deposits and gold	147,849,665	171,540,157
- *Demand deposits in VND*	*132,650,293*	*157,610,806*
- *Demand deposits in foreign currencies*	*15,199,372*	*13,929,351*
Term deposits and gold	220,609,439	201,334,899
- *Term deposits in VND*	*216,188,385*	*196,486,553*
- *Term deposits in foreign currencies*	*4,421,054*	*4,848,346*
Deposits for specific purpose	3,232,692	4,394,044
Margin deposits	9,099,391	11,730,032
- *Margin deposits in VND*	*6,108,890*	*7,722,065*
- *Margin deposits in foreign currencies*	*2,990,501*	*4,007,967*
	380,791,187	**388,999,132**

- ***Notes to deposits by category of customers, type of economic entities***

	30/09/2022 VND million	*31/12/2021 VND million*
Deposits of economic entities	172,274,545	187,464,145
Deposits of individuals	208,516,642	201,534,987
	380,791,187	**388,999,132**

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	**102,700**	**-**	**102,700**
Currency forward transactions	94,603	-	94,603
Currency swap transactions	8,097	-	8,097
As at 31 December 2021			
Currency derivative financial instruments	**273,739**	**-**	**273,739**
Currency forward transactions	55,662	-	55,662

Currency swap transactions	218,077	-	218,077

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 (*)	163,141	241,489
	163,141	**241,489**

20. Valuable papers issued

	30/09/2022 *VND million*	31/12/2021 *VND million*
Ordinary bonds	**23,538,964**	**10,688,806**
- Below 5 years term	11,900,000	-
- Above 5 years term	11,638,964	10,688,806
Depositary certificate	**74,234,540**	**53,404,213**
- Below 12 month	38,686,590	12,499,739
- Above 12 months	35,547,950	40,904,474
	97,773,504	**64,093,019**

(i) Ordinary bonds issued by the Bank at the annual interest rate of 3,8%-8,7%,
(ii) Depositary certificate issued by the Bank at the annual interest rate of 1,0%-8,5%

21. Other payables and liabilities

	30/09/2022 *VND million*	*31/12/2021* *VND million*
Internal payables	3,146,210	2,265,146
External payables	11,839,559	11,875,817
Of which: Tax payables (Note IV,10)	*2,332,638*	*880,837*
	14,985,769	**14,140,963**

22. Capital and reserves

22.1 Report on changes in owners' equity and reserves

As at 30 Sep 2022 the number of outstanding shares issued by the Bank was **3,778,321,777 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
Share premium	869,327	-	-	869.327
Financial reserves	37,783,218	1.155.442	-	5.544.652
Additional charter capital reserve	2,202,005	577.721	-	2.779.726

Other reserves	473,391	408.361	(201.219)	680.533
Retained earnings	11,601,748	13.196.853	(2.982.331)	37.783.218
Total	**57,318,899**	**15.338.377**	**(3.183.550)**	**69.473.726**

Details of MB's equity are as follows:

Unit: VND million

	30/09/2022			*31/12/2021*		
	Total	*Ordinary Shares*	*Preferred shares*	Total	*Ordinary Shares*	*Preferred shares*
Shareholders' capital	37,783,218	37,783,218	-	37,783,218	37,783,218	-
Capital gain	869,327	869,327	-	869,327	869,327	-
Treasury shares	-	-	-	-	-	-
	38,652,545	**38,652,545**	**-**	**38,652,545**	**38,652,545**	**-**

22.2 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*	-	-

* Nominal value of ordinary share: VND 10,000

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

1. Net Interest 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 deposits with other CIs	773,118	356,982
Interest Income from loans	22,782,175	18,214,665
Interest income from debt securities	6,244,470	4,768,869
Fees from Guarantee services	1,625,896	1,302,098
Interest income from Debt Purchase	-	42,941
Other credit activities	361,167	374,400
	31,786,826	**25,059,955**
Interest and similar expenses		
Interest expense for deposits	(7,356,581)	(7,039,824)
Interest expense for borrowings from SB and other CIs	(485,494)	(202,511)
Interest expense for valuable papers issued	(2,343,611)	(1,693,703)
Other credit activities	(492,727)	(359,584)
	(10,678,413)	**(9,295,622)**
Net Interest income	**21,108,413**	**15,764,333**

2. Net fee and commission income

	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	1,216,257	821,807
Revenue from treasury activities	5,350	9,901
Revenue from advisory	261,764	339,482
Revenue from entrustment and agency business	797,844	482,211
Other services	295,013	587,729
	2,576,228	**2,241,130**
Fee and commission expenses		
Settlement and cash services	(59,233)	(41,453)
Spending on entrustment and agency business	(4)	(3)
Spending on advisory	(71)	(140)
Spending on commission	(394,089)	(188,238)
Spending on treasury activities	(10,123)	(8,285)
Other services	(857,495)	(547,474)
	(1,321,015)	**(785,593)**
Net fee and commission income	**1,255,213**	**1,455,537**

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 foreign currencies contracts and gold	1,927,513	1,091,079
Income from currencies derivatives contracts	1,017,810	485,646
	2,945,323	**1,576,725**
Expenses on foreign currencies		
Expenses for spot foreign currencies contracts and gold	(591,191)	(59,878)
Expenses for currencies derivatives contracts	(1,013,657)	(603,598)
	(1,604,848)	**(663,476)**
Net gain/(loss) from trading of foreign currencies	**1,340,475**	**913,249**

4. Net gain/(loss) from trading securities, 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 trading securities,		
Income from trading securities	11,476	21,307
Expenses for trading securities	-	-
	11,476	**21,307**
Gain/(loss) from investment securities		
Income from investment securities	1,530,765	1,525,412
Expenses for investment securities	(280,317)	(212,335)
Reversal of/ (expense for) allowance for diminution in the value of trading securities, investment securities	(29,796)	(21,229)
Reversal of/ (expense for) allowance for diminution in the value of long-term capital contributions / investments	(360)	2,292
	1,220,292	**1,294,140**
Net gain/(Loss) from trading securities, investment securities and capital contribution and long-term investments	**1,231,768**	**1,315,447**

5. Net gain/loss from other operations

	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	934,026	1,821,231
Profit/(Loss) from other derivative instruments	380,406	321,651
Other incomes/(expense)	131,016	72,720
	1,445,448	**2,215,602**

6. Income from capital contribution, share purchase

	From 01/01/2022 to 30/09/2022 VND million	*From 01/01/2021 to 30/09/2022 VND million*
Dividends received from subsidiaries	44,359	183,870
Income from capital contribution and share	259,229	10,734

purchase		
	303,588	**194.604**

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	32,375	25,235
Salaries and related expenses	4,667,745	3,575,631
Expenditures on assets, instrument & tools		
- Depreciation and amortization	*3,517,010*	*2,981,837*
- Others	*1,150,735*	*593,794*
Expenditures for administration and official purposes	1,637,467	1,422,834
- Expenditure for business trip		
- Union activities	*758,257*	*654,586*
- Others	1,497,121	1,336,719
Insurance expense on deposit of customers	258,487	188,121
	8,093,195	**6,548,540**

8. Employee incomes

	For the period from 1/1/2021- 30/09/2022 VND million
Average total number of employees during the period (employees)	9,720
Total income	**3,517,010**
Average monthly income	40,20

9. Allowance made/(reserved) for losses

	30/09/2022 VND million	*30/09/2021 VND million*
Allowance made/(reserve) for customer credit risk	2.171.477	4.803.240
Allowance made/(reversed) for other risks	(3)	-
Allowance made/(reversed) for debts purchasing	1.766	848
Allowance made/(reversed) for commitments	36	-
	2.173.276	**4.804.088**

10. Obligations to the State Budget

Unit: VND million

	Opening balance	*Changes during the period*		*Ending balance*
		Amount payable	*Amount paid*	
VAT	29.701	206.322	(134.863)	101.160
Corporate Income Tax	798.987	3.214.650	(1.815.137)	2.198.500
Other taxes	52.149	671.193	(690.364)	32.978
	880.837	**4.092.165**	**(2.640.364)**	**2.332.638**

11. Current Corporate income tax

The Bank is obligated to pay corporate income tax on the total taxable profits:

	30/09/2022 VND million	*30/09/2021 VND million*
Gross accounting profit before tax	**16.418.434**	**10.506.144**
Adjustments for:		
- Income from non-taxable income (including dividends, business results from foreign branches) and others	(357.031)	(271.528)
- Non-deductible expenses	9.298	5.585
Taxable income of the Bank	**16.070.701**	**10.240.201**
Current corporate income tax (i)	3.214.140	2.048.040
Current corporate income tax of foreign branches (ii)	7.441	10.942
Corporate income tax expenses (i) + (ii)	**3.221.581**	**2.058.982**

12. Cash and cash equivalents

Net cash and cash equivalents shown on the separate cash flow statement include items in the following separate balance sheet:

	30/09/2022 VND million	*31/12/2021 VND million*
Cash and cash equivalents in funds	3,130,284	3,473,732
Balances with the SBV	12,315,636	38,030,552
Deposits at credit institutions with original term not exceeding 3 months	34,096,305	28,477,889
	49,542,225	**69,982,173**

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**
LC commitments	**252,740,112**	**248,479,808**
Other guarantees	9,412,816	1,734,746
Foreign exchange commitments	7,085,867	2,196,936
Foreign exchange purchase commitments	118,134,416	122,347,042
Foreign exchange sell commitments	118,107,013	122,201,084
Swap buy commitments	**31,311,251**	**34,857,504**
Swap sell commitments	**108,299,139**	**102,801,455**
Other commitments	**68,823,376**	**64,185,908**

Contingent liabilities and commitments

In the course of business, the Bank provides financial instruments relating to off-balance sheet items in the separate financial statement, These financial instruments primarily include guarantee commitments and letters of credit, These instruments also generate credit risk for the Bank in addition to the credit risk presented on the balance sheet, Credit risk of off-balance sheet financial instruments is defined as the possibility to generate credit risk for the Bank when one of the parties involved in such financial instruments fails to fulfill terms and conditions under the contract,

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

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

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

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

2. Transactions with related parties

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

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

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

(b) Related party is a joint venture in which the Bank is a party (owns 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);

Details of payables and receivables with key shareholder(accounting for 5% of the Bank's charter capital) as follows:

Transaction	*30/09/2022* *VND mil*	*30/09/2021* *VND mil*
Deposit in MB	25.774.057	27.908.467
	25.774.057	**27.908.467**

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

	From 01/01/2022 *to 30/09/2022* *VND mil*	*From 01/01/2021* *to 30/09/2021* *VND mil*

Member of BODs (11), Supervisory Board (5) và Board of Management (12)	38.057	31.764
	38.057	**31.764**

Details of payables and receivables with related parties as at 30 Sep 2022 are as follows:

Related parties	*Relationship*	*Transactions*	*Receivables VND million*	*(Payable) VND million*
MB Securities Joint Stock Company	Subsidiary	Capital contribution	1,826,429	-
		Deposits	-	(1,115,675)
MB Capital Management Joint Stock Company	Subsidiary	Capital contribution	293,900	-
		Deposits	-	(265,788)
Military Commercial Joint Stock Assets Management Company Limited	Subsidiary	Capital contribution	665,862	-
		Deposits	-	(298,026)
MB Shinsei Finance Company Limited ("MCredit")	Subsidiary	Capital contribution	400,000	
		Deposits		(1,253,519)
MB Ageas Life Insurance Company Limited	Subsidiary	Capital contribution	915,000	-
		Deposits	-	(1,253,519)
Military Insurance Joint Stock Corporation ("MIC")	Subsidiary	Capital contribution	879,375	-
		Deposits	-	(822,814)

Details of payables and receivables with related parties as at 31 December 2021 are as follows:

Related parties	*Relationship*	*Transactions*	*Receivables VND million*	*(Payable) VND million*
MB Securities Joint Stock Company	Subsidiary	Capital contribution	1.826.429	-
		Deposits	-	(1,169,609)
MB Capital Management Joint Stock Company	Subsidiary	Capital contribution	293,900	-
		Deposits	-	(72,090)
Military Commercial Joint Stock Assets Management Company Limited	Subsidiary	Capital contribution	665,862	-
		Deposits	-	(387,884)
MB Shinsei Finance Company Limited ("MCredit")	Subsidiary	Capital contribution	400,000	-
		Deposits	5.465.000	(397,507)
MB Ageas Life Insurance Company Limited	Subsidiary	Capital contribution	915,000	-
		Deposits	-	(1,469,677)
Military Insurance Joint Stock Corporation ("MIC")	Subsidiary	Capital contribution	879,375	-
		Deposits	-	(1,204,980)
		Loan		

3. Separate 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	397,565,074	379,908,741	31,311,251	142,975,355
Foreign	2,543,523	882,446	-	80,544

3.2. Separate segment reporting according to geographical segment

30 Sep 2022	*North* *VND million*	*Central* *VND million*	*South* *VND million*	*Foreign* *VND million*	*Exclude* *VND million*	*Total* *VND million*
Assets	397,181,405	34,252,896	184,941,898	4,199,122	(971,424)	619,603,897
Liabilities	335,371,027	33,310,274	180,473,535	1,946,759	(971,424)	550,130,171
Fixed asset	3,660,085	28,416	79,396	7,073	-	3,774,970
Revenue	59,586,063	3,728,346	16,869,517	269,052	(39,287,543)	41,165,435
Expenses	49,751,005	2,745,560	11,322,370	215,609	(39,287,543)	24,747,001
Profit before tax	9,835,058	982,786	5,547,147	53,443	-	16,418,434
	397,181,405	34,252,896	184,941,898	4,199,122	(971,424)	619,603,897

31 December 2021	*North* *VND million*	*Central* *VND million*	*South* *VND million*	*Foreign* *VND million*	*Exclude* *VND million*	*Total* *VND million*
Assets	387,117,298	34,669,555	153,775,463	4,691,014	(3,243,677)	577,009,653
Liabilities	337,140,287	34,005,969	149,254,437	2,533,738	(3,243,677)	519,690,754
Fixed asset	3,817,702	33,134	95,656	8,773		3,955,265
Revenue	64,236,760	4,524,328	18,253,068	434,050	(42,163,229)	45,284,977
Expenses	56,239,988	3,826,623	12,627,566	355,945	(42,163,229)	30,886,893
Profit before tax	7,996,772	697,705	5,625,502	78,105	-	14,398,084

4. Notes on changes in profit:

Separate profit before tax of MB in Quarter III of 2022 increased by VND **2,258,058** mil compared to Quarter III of 2021, equivalent to 65.11% due to the following reasons:

Items with material changes	**Impact on Profit before tax VND million**
Increase/(Decrease) in profit due to decrease in net interest income	1,837,795
Increase/(Decrease) in profit due to increase in net interest income from commission and fee income	44,380
Increase/(Decrease) in profit due to increase in net interest income from foreign currencies trading	53,295
Increase/(Decrease) in profit due to increase in net loss from trading securities, investment securities and capital contribution and long-term investments	(136,104)
Increase/(Decrease) in profit due to increase in net interest income from other operations	(18,958)
Increase/(Decrease) in profit due to income from capital contribution and share purchase	(155,480)
Increase/(Decrease) in profit due to increase in operating expenses	(513,024)
Increase/(Decrease) in profit due to increase in provision expenses	1,146,154
Total increase/(decrease) impacting to business results	**2,258,058**

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 extends credit to other banks, Risks associated with foreign exchange 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 more 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 currencies swap 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 operations, Liquidity risk is minimized through holding a reasonable amount of cash and cash equivalents in Nostro account, term deposits at the State Bank and other credit institutions, and valuable papers, Prudential ratios taking into account risk factors are also used to manage liquidity risk, The Bank often evaluates and benchmarks interest rate gaps of the domestic and international market for timely adjustments, In addition, the application of internal risk management processes is becoming more efficient thanks to the deployment of the Centralized Capital Management System and Centralized Payment System, whereby all capital transactions and the Bank's payments are carried out at the Head Office, This allows the Bank to monitor changes 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 a policy of credit risk management ensuring the following basic principles:

- ► Establishing an appropriate credit risk management setting;
- ► Operating in accordance with a healthy credit extension scheme;
- ► Maintaining an appropriate process for credit management, measurement and monitoring; and
- ► Ensuring adequate control over credit risk,

The Bank's credit appraisal process is comprised of multiple layers of approval to ensure independence; at the same time, approval of loans is done based on the credit line assigned to each competent authority 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 approved by the State Bank as a credit risk management tool, whereby each customer is assigned a specific risk classification level, 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 the law,

5.2. MARKET RISKS

5.2.1. Interest rate risks

Effective interest rate re-pricing term is the period from the date of the separate 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 separate 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 separate financial statements,
  - Items with floating interest rates: Effective interest rate re-pricing term is based on the period from the date of the separate 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 within						
	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	-	3,130,284	-	-	-	-	-	3,130,284
Balances with State Banks	-	12,331,953	-	-	-	-	-	12,331,953
Cash, gold deposits with and loans to other credit institutions	80,400	-	31,364,491	4,254,415	1,416,250	356,250	-	37,471,806
Securities held for trading (*)			5,155,151				-	5,155,151
Financial derivatives and other financial assets	-	-	267,044	(198,436)	(32,208)	97,878	(31,578)	102,700
Loans to customers (*)	5,704,024	-	146,588,519	160,092,435	27,944,912	19,175,933	40,606,359	400,112,182
Investment securities (*)	50,000	-	9,419,983	48,451,069	10,005,205	20,591,801	49,382,690	137,900,748
Capital contribution & long-term investment (*)	-	5,354,548	-	-	-	-	-	5,354,548
Fixed asset	-	3,774,970	-	-	-	-	-	3,774,970
Other Assets (*)	20,008	23,093,254						23,113,262
Total assets	**5,854,432**	**47,685,009**	**192,795,188**	**212,599,483**	**39,334,159**	**40,221,862**	**89,957,471**	**628,447,604**
Liabilities								
Amount due to Government and SBV	-	-	328,585	-	-	-	-	328,585
Deposits and borrowings from other credit institutions	-	-	54,741,497	9,973,852	5,816,345	263,094	1,597,400	72,392,188
Customer deposits	-	-	235,871,265	49,944,070	50,135,929	43,031,847	15,335,337	394,318,448
Financial derivatives and other financial liabilities	-	-	-	-	-	-	-	-
Borrowed and entrusted funds and risk bearing loan to other CIs	-	-	890	9,234	201,577	-	-	211,701
Valuable papers issued	-	-	1,586,895	4,562,074	2,052,622	40,488,586	19,956,381	68,646,558
Other liabilities (*)	-	18,067,685	-	-	-	-	-	18,067,685
Total liabilities	**-**	**18,067,685**	**292,529,132**	**64,489,230**	**58,206,473**	**83,783,527**	**36,889,118**	**553,965,165**
On-balance sheet interest sensitivity gap	**4,646,671**	**29,878,733**	**(103,949,831)**	**122,098,184**	**(10,467,420)**	**(25,785,548)**	**54,937,701**	**71,358,490**

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

5, 2 MARKET RISKS (cont,,)

5.2.2. Currency risks

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

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

Classification of assets and liabilities by currency converted into VND million as at 30 Sep 2022 as follows:

Unit: VND million

	Converted USD	*Converted EUR*	*Converted other currencies*	*Total*
Assets				
Cash, gold and gemstones	334,903	53,013	47,458	435,374
Balance with the SBV	4,494,538	2,523,131	288,292	7,305,961
Cash, gold deposits with and loans to other credit institutions	5,083,610	1,287,400	1,786,227	8,157,237
Financial derivatives and other financial assets	-	-	-	-
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	6,168,390	22,299	61,085	6,251,774
Total assets	**35,255,521**	**3,888,184**	**2,635,023**	**41,778,728**
Liabilities				
Deposits and borrowing from other CIs	24,133,968	30,405	302,498	24,466,871
Customer deposits	18,033,036	5,417,277	448,465	23,898,778
Other liabilities	24,133,968	30,405	302,498	24,466,871
Total liabilities	**42,440,208**	**5,460,569**	**800,924**	**48,701,701**
On balance sheet currency position	(4,393,006)	(473,277)	382,206	(4,484,077)
Off balance sheet currency position	6,420	-	58,337	64,757
On and Off balance sheet currency position	**(4,386,586)**	**(473,277)**	**440,543**	**(4,419,320)**

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 separate 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	-	3,130,284	-	-	-	-	3,130,284
Balances with the SBV	-	12,331,953	-	-	-	-	12,331,953
Deposits with and loans to other credit institutions	80,400	31,364,491	4,254,415	1,772,500	-	-	37,471,806
Securities held for trading	-	5,155,151	-	-	-	-	5,155,151
Financial derivatives and other financial assets	-	39,044	(55,936)	151,170	(31,578)	-	102,700
Loans to customers	5,704,023	25,305,004	58,374,414	131,365,191	102,192,249	77,171,301	400,112,182
Investment securities (*)	50,000	699,945	15,581,460	29,248,072	41,581,166	50,740,105	137,900,748
Capital contribution & long-term investment (*)	-	-	-	-	5,354,548	-	5,354,548
Fixed asset	-	-	-	-	3,774,970	-	3,774,970
Other Assets (*)	20,008	20,817,856	727,231	1,441,470	104,315	2,382	23,113,262
Total Assets	**5,854,431**	**98,843,728**	**78,881,584**	**163,978,403**	**152,975,670**	**127,913,788**	**628,447,604**
Liabilities							
Amounts due to the Government and SBV	-	328,585	-	-	-	-	328,585
Deposits and borrowings from other credit institutions	-	54,741,498	9,973,852	6,079,438	1,597,400	-	72,392,188
Customer deposits	-	235,871,265	49,944,070	93,167,776	15,309,446	25,891	394,318,448
Financial derivatives and other financial liabilities	-	-	-	-	-	-	-
Loan granted from others borrowed and entrusted funds	-	890	9,234	27,339	106,828	67,410	211,701
Valuable papers issued	-	1,586,895	4,562,074	42,541,208	14,151,877	5,804,504	68,646,558
Other liabilities (*)	-	18,067,685	-	-	-	-	18,067,685
Total Liabilities	**-**	**310,596,818**	**64,489,230**	**141,815,761**	**31,165,551**	**5,897,805**	**553,965,165**
Net liquidity gap	**4,646,671**	**(200,307,427)**	**6,844,426**	**20,493,914**	**120,618,758**	**119,062,148**	**71,358,490**

(*): 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 Chief Finance Officer	Mr, Luu Trung Thai Chief Executive Officer

Hanoi, Vietnam
……/10,,/2022