



ANNUAL REPORT
2022



BANK ON SUSTAINABLE GROWTH

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MESSAGE FROM THE CHAIRMAN

Dear Valued Shareholders,

In 2022, we have seen a turbulent year of global economy and heightened risks to Vietnam's economy and capital market. Despite challenges, Vietnam still posted highest GDP growth rate during the period of 2011-2022, at 8.02%. We have also seen strong efforts of banking sector in actively regulating banking policy to curb inflation rate at low level and contribute to the growth of the economy against post-Covid 19 negative impacts. These highlights might initiate to a positive outlook; nevertheless, stay prudent is the key factor to the survival of every organization amidst volatility.

As a part of banking sector, MSB also faced with many "hard puzzles". Volatility of interest rate and strict monitoring on credit growth directly affected our business plan that was submitted to the General Shareholders. Nevertheless, our adaptive governance and management solutions helped us achieve optimistic results by the end of 2022. MSB also early fulfilled five-year plan (2018-2023) in this year and recorded sustainable growth across many metrics, became a bank with the best customer understanding and earned high profit among banks in Vietnam.

Digital transformation journey contributed significantly to materialize these results of the bank - digitalization is considered as the engine for the transformation of both operation and business. Our investments for Digital Factory project and modernisation of Core Banking in 2022 produced remarkable results not only reflected by enhancement of customer experience but also improved working productivity. By launching of 8 customer journeys, MSB took a leap in fully digitizing the journey for retail, corporate customers and also target client segments, from approaching to using products and services. Meanwhile, our 6.000+ employees and 260+ brick-and-mortar transaction locations continued to thrive out of challenges, adapt and improve ourselves to provide high-quality and convenient products and services. It demonstrated MSB's commitment to "customer-centric" strategy.

On top of that, in 2022, MSB launched some key internal projects with initial successes such as Enterprise Architecture (EA) which is expected to address key challenges in large-scale digital transformation and ensure that system architecture aligns with business strategy, or "Sales Transformation" which aims at improving sales productivity, thus, better responding to market demands. We have been heading aggressively and effectively towards the goal of "Let digital transformation be DNA of MSB" while cultivating digital culture intensively throughout the organization.

Given that business growth must come along with operational control especially during volatility, MSB particularly focused on risk management. In correspondence to product and service digitization journey, risk management system took its role as the most important line of defense with consistent transformation across multiple aspects. MSB completed the application of international financial reporting standards for 2021-2022 financial statements which is being audited and got ready to apply these international standards for upcoming reports. IFRS adoption would elevate the bank's position in global integration roadmap, ensure transparency and boost the confidence of foreign organizations and investors as well as improve the bank's governance capabilities, a step closer to becoming a reliable and high-performing bank not just in Vietnam but also in the region.

In line with global sustainable development trend, MSB was deeply aware of its role in the fulfillment of country's plan; hence, the bank put sustainable development strategies in top priority. In Quarter 4, 2022, the Sustainable Development Committee was established with a manifesto applied to core business lines to ensure stable growth, promote green economy and balance interests of related parties with an aim of better environment protection for future generations. MSB committed to promote green finance, standardizing business operation, particularly environmental-social risk management, and transforming to become a responsible bank through the course of global sustainable development goals achievement.

Based on our performance results and looking into long-term commitment, MSB completed the increase of charter capital to VND 20,000 billion by the end of 2022 through the issuance of 458 million bonus shares to existing shareholders (equivalent to 30%) and 14.25 million shares to employees from owners' equity. This created the base for us to increase our competitive advantage, strengthen capital buffer to absorb possible financial losses, and allow us to optimize funding mix and invest more on

potential projects. Plus, Employee Stock Option Program (ESOP) showcased our corporate culture as it helped recognize employees' efforts, raise their motivations, and encourage their engagements.

MSB will kick off the new year with a five-year strategy plan (2023-2027) with an aim to continue the conquer of new heights and enhance the bank's name and position in the market. MSB will pursue the vision of becoming the bank offering the best services based on digital platform and making digital channel as the key driver for long-term growth. The Board of Directors and Board of Management are building up a specific roadmap and action plan to reach the goal of "Being bank with billion-dollar profits". As proud as we are of the recent journey, while facing challenging goals ahead amidst potential risks both in the local and global outlook, MSB's whole organization of leadership and employees keep asking "Can we do better?" This is our concern and also challenge for the next five-year journey, which requires the consensus and supports of all valued Shareholders, Customers and Partners.

I firmly believe that with the experience of tackling many challenges over the recent years together with our hope, pride, and concerted efforts, we will continue to make MSB a strong name and bring the best value to the society and community.

Once again, I would like to express my deep gratitude for your support and confidence in MSB for the last 31 years.

May this year bring you health, success, and happiness.

Kind regards,
On behalf of Board of Directors

TRAN ANH TUAN
Chairman



MESSAGE FROM CEO

Dear Valued Customers, Partners, and Shareholders,

2022 is an important year to MSB. We early fulfilled the five-year plan (2018-2023) with remarkable results. MSB's compound annual growth rate (CAGR) of total operating income (TOI) reached 22% over the last 3 years, exceeding the target set in five-year plan. After 5 years, by 2022, cost to income ratio (CIR) was optimized to 40%. Notably, 2022 survey showed that our Organizational Health Index (OHI) hit 82 points, 2 points higher than the target and up 14 points against 2019. Retail and corporate customer base saw a big jump of 117% and 60% respectively compared to 2018, amounting to nearly 4 million retail customers and more than 72 thousand corporate customers.

2022, facing enormous challenges of the economy, MSB, with its effort on digital transformation and its adaptive strategy, recorded positive results. By the end of the year, MSB's total assets reached nearly VND 212,776 billion, up 4.5% year-over-year. Loan to customers reached VND 120,600 billion, up nearly 19% in compared with 2021. Customer deposits grew by 24% against last year, recorded at more than VND 117,000 billion, in which average CASA accounted for 36% total deposits, bringing MSB to top 3 banks in terms of average CASA ratio. CASA is a effective funding source for the bank to deliver high net interest margin (NIM) given recent hikes in deposit rates. Thanks to an efficient capital structure and optimized cost of funds, MSB hit a record of NIM at 4.5%. Profit before tax was delivered at VND 5,787 billion, up 14% year-over-year.

From the income side, total operating income reached nearly VND 10,700 billion in which core business lines - mobilization and lending – reached a remarkable growth and generated more than VND 8,300 billion net interest income, up 34% year-over-year. Besides, foreign exchange trading continued to be the main driver for non-interest income as its net gain amounted to more than VND 1,000 billion, 2.6 times higher than 2021's figure. Thanks to it, in 2022, MSB was listed in top 5 interbank foreign exchange market makers in Vietnam and top 10 banks with highest foreign exchange trading volume for corporate and retail customers.

Risk management plays the key role to sustainable growth. Banks' prudential ratios strictly complied with the regulations of the State

Bank of Vietnam (SBV) and international standards. In 2022, MSB focused on consolidating balance sheet, expanded retail banking and reduced corporate bond exposure. Particularly, the bank also expedited debt settlement. Loan-to-deposit ratio (LDR of standalone bank) was curbed at 68.8% (under the limit of 85% set by the SBV) and the ratio of short-term funding for medium- and long-term loan of standalone bank was controlled at 23.6% (lower than the limit of 37% set by the SBV). Consolidated capital adequacy ratio (CAR) according to Circular 41 reached 12.3%. Non-performing loan ratio (NPL of standalone bank) according to Circular 11/NHNN was 1.21% while restructured loan balance shrunk to only around VND 1,400 billion.

Guided by sustainable development strategy, in 2022, MSB laid out the premise for the five-year plan (2023-2027) which is poised to encompass many ambitious goals. In addition to "quantitative" goals such as profit and market capitalization, MSB will also aim at "quality" targets. MSB will focus on digital transformation strategy and the development of green banking backed by strengthened risk management and governance capabilities. In 2022, the bank announced its risk appetite, developed a digital risk management strategy, and gradually improved the Environmental and Social Management System (ESMS) according to international standards which is not only applied for lending but also for other selective services. Moreover, MSB followed many standards to improve corporate governance quality and transparency. It is demonstrated by the adoption of the international financial reporting standards (IFRS). 2022 also saw MSB's initial access to a green loan from foreign partners with a value of USD 30 million. Driven by the commitments to the "greening" transformation in Vietnam and the world, MSB is determined to support our customers and partners in this sustainable development journey.

In terms of digitalization, after more than one year of implementation, MSB has been transforming complex products and procedures into simple and seamless customer journeys and fully digitalizing many manual and paperwork processes. In 2022, many new digitalized journeys were launched on top of improved existing journeys covering from credit products (secured, unsecured) offered to different retail and corporate segments to card issuance and insurance products featured excellent convenience, time-saving, and enhance customer experience. At the same time, internal processes and procedures were digitized to reach the goal of reducing 50% of paperwork in 2023. This will be the foundation for MSB to pilot remote work practice to increase productivity, availability and adaptivity of employees in any working circumstance or environment.

MSB's efforts were not only translated into business performance but also the recognition of many prestigious local and foreign organizations such as "The best digital transformation bank in Vietnam in 2022" award from The Global Economic Magazine; top 10 prestigious joint stock commercial banks in 2022 announced by Vietnam Report; "Top 1 bank in foreign currency trading volume through Matching system 2021" award from Refinitiv - London Stock Exchange Group; "Card issuance breakthrough 2022" award by Mastercard; "Most Innovative Corporate Bank 2022" award by World Economic Magazine; "Leadership in Payment Volume Growth" and "Leadership in Debit Payment Volume Growth" honored by VISA, etc.

In 2023 - the transition year of the new strategic phase (2023-2027) - MSB aims to become a market-leading player with the best digital platform and customer service experience. Based on our solid foundation laid over many years and our adaptive strategy, the leadership and 6,000+ employees have prepared thoroughly with a proactive stance to take on challenges and grow MSB sustainably. MSB sets a target of total assets at VND 230,000 billion in 2023, up 8% against 2022; profit before tax VND 6,300 billion, increase approximately 9%; cost to income ratio (CIR) lower than 40%; non-interest income over 30% of total operating income; CASA ratio over 33%. MSB identifies that Retail Banking has a lot of potential for growth and will become the main growth driver towards our ambitious 2027 plan: USD 1 billion in profit before tax.

To realize these challenging goals, MSB will continue to enhance and promote three pillars: lean digitization and advanced analytics; active and effective risk management; continuously innovative, improved, adaptive and customer-centric organization, people, and culture. MSB will always be in good company to provide convenient financial products and services and optimized experience; thus, reaching sustainable goals together with our valued customers, partners, shareholders, and the community.

Our best thanks and wishes of health, success, and happiness to you all!

Kind regards,

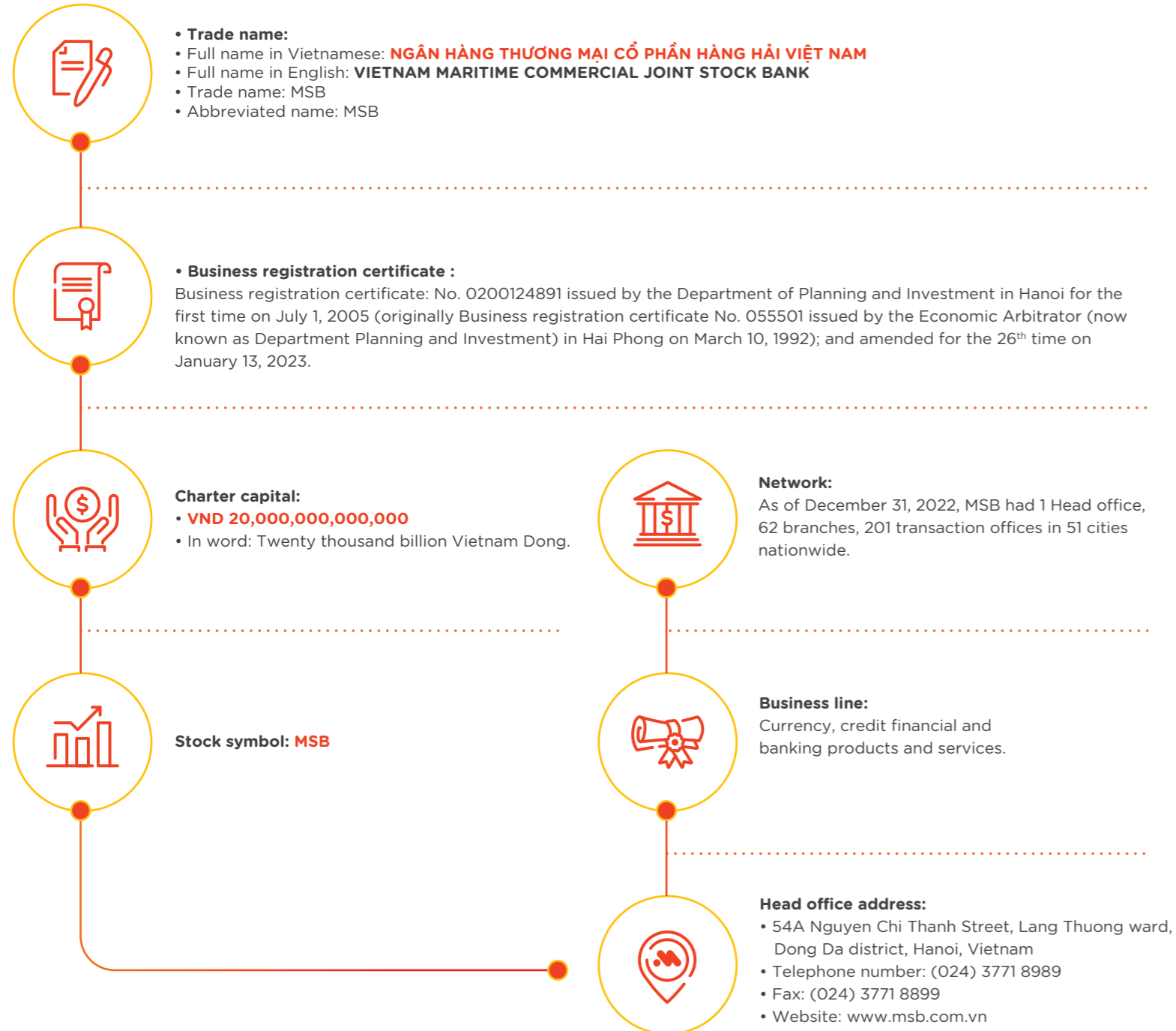
NGUYEN HOANG LINH
Chief Executive Officer

MSB

AT A GLANCE



OVERVIEW



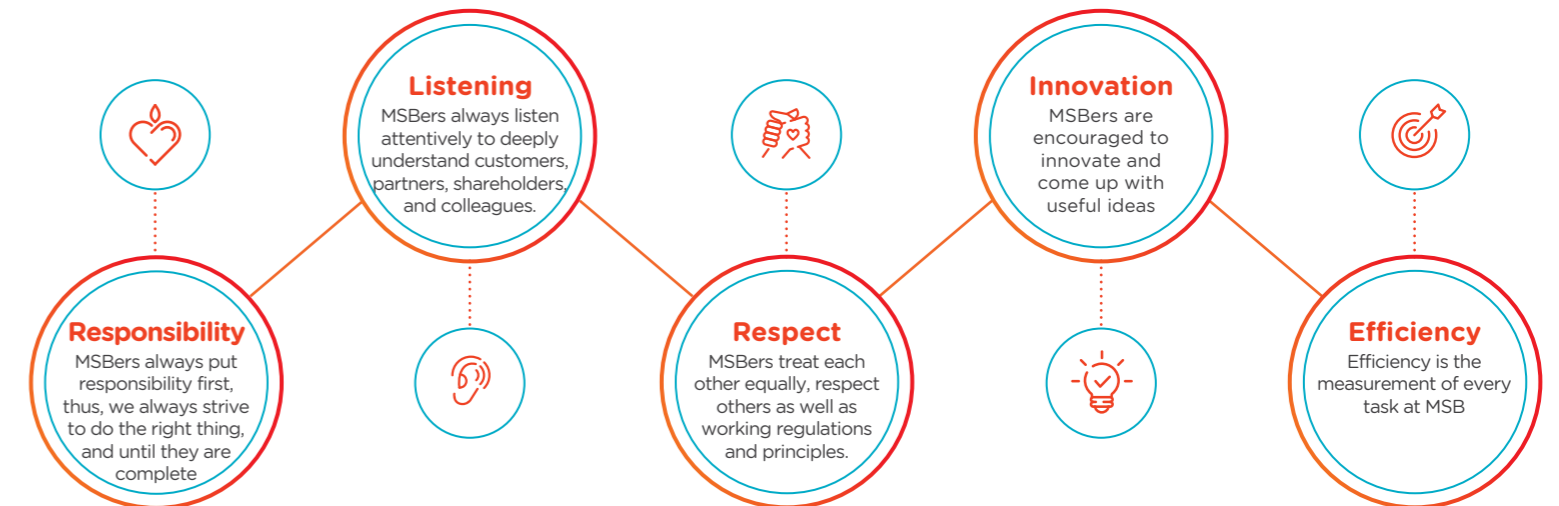
VISION

BECOME A BANK WHICH EVERYONE WANTS TO JOIN AND NOBODY WANTS TO LEAVE

MISSION

FOR A MORE CONVENIENT AND COMFORTABLE LIFE

CORE VALUES





MID- AND LONG-TERM GROWTH STRATEGY AND SUSTAINABLE DEVELOPMENT GOALS

MSB is one of the pioneering banks in digital transformation with an aim to become a leading player in digital platform and customer experience. It drives MSB to focus on digitizing products and internal processes, evolving way of working, and shifting mindset by implementing key transformation projects in core technology platforms to bring cutting-edge and high-value banking products and services to customers.

As the first joint stock commercial bank established in Vietnam, MSB is aware of its leading responsibility in supporting customers on their business and financial plans and contributing to Vietnam's strong and sustainable growth. MSB's strategies and action plans are all well-aligned with this goal, in which our best convenient financial products and services help improve the well-being of Vietnamese individuals and enterprises. MSB also builds a favorable workplace for employees, helping them develop their career pathways and quality life.

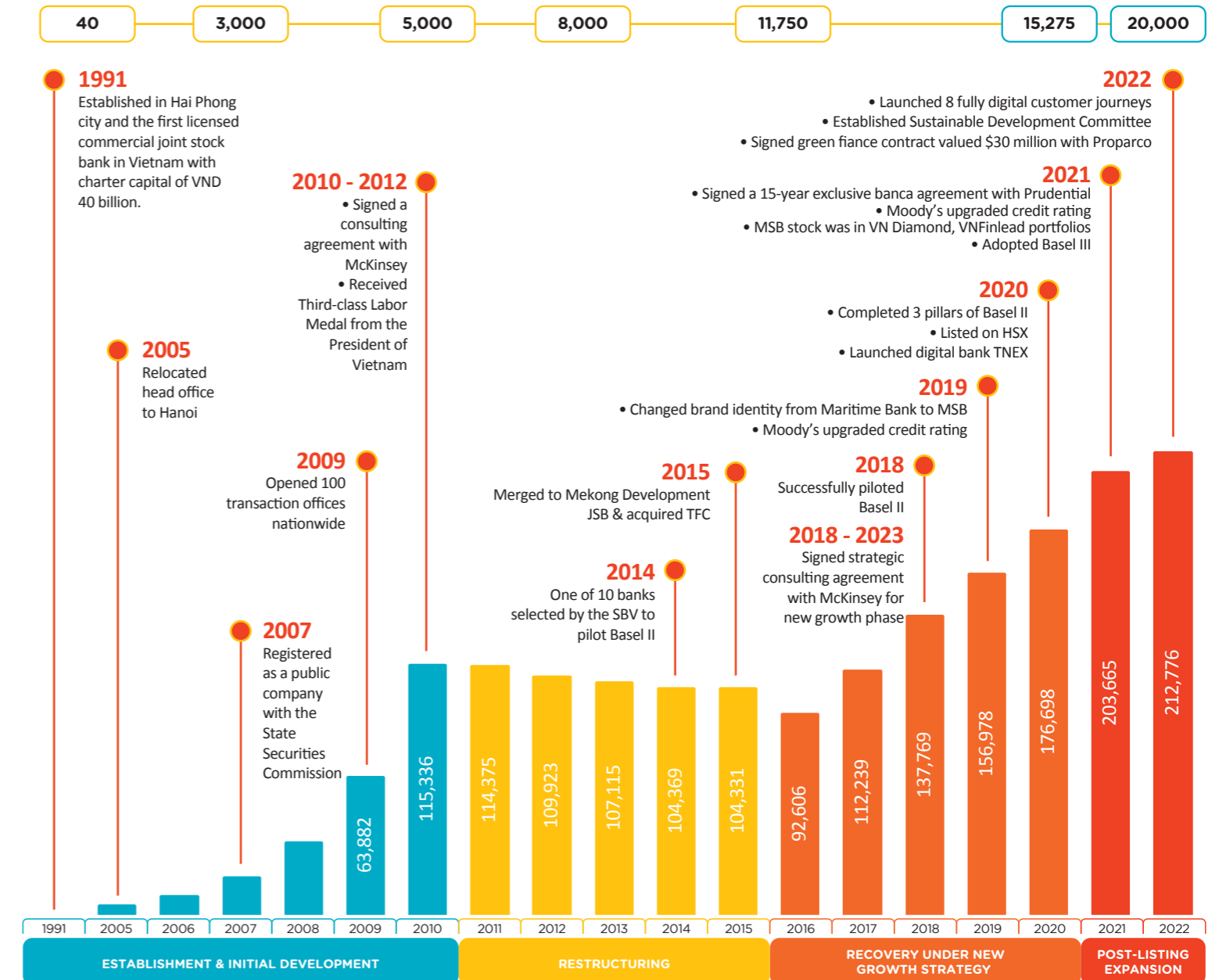
On such journey, MSB strives to keep its commitments to customers, employees and investors, specifically:

- Customers always feel happy and satisfied about the convenience and benefits of MSB's products and services;
- Employees always feel happy and motivated to do their best and develop their careers at MSB;
- MSB's high profitability reinforces shareholders' confidence in MSB's sustainable and disruptive growth.

MILESTONES

Vietnam Maritime Commercial Joint Stock Bank (MSB) was established in 1991 in Hai Phong city. After 31 years of development, MSB increased its charter capital up to VND 20 trillion with 6,000+ qualified employees, becoming one of the respected banks in Vietnam and providing full range of banking and financial solutions to all customer segments in the economy.

Charter capital (VND billion)



GOVERNANCE MODEL AND ORGANIZATION STRUCTURE

Annual General Shareholders Meeting (AGM)

The AGM, constituting all voting shareholders, is the supreme governing authority deciding on critical issues of MSB in accordance with the law and the bank's Charter. The AGM operates in form of annual and extraordinary meetings or written ballots. The AGM is entitled to pass MSB's plans, elect and dismiss the Board of Directors and Board of Supervisors members, and exercise other rights.

Board of Directors (BOD)

The BOD is the governing body of MSB. The BOD is entitled to decide and perform MSB's rights and obligations on behalf of MSB apart from those under the AGM's authority. The BOD consists of seven members including one independent member and six non-executive members; the Chief Executive Officer is a BOD member.

The BOD establishes advisory committees to assist the BOD in corporate governance, strategy and plan execution to achieve sound and robust growth in line with targets. As of now, such committees include Risk Management Committee, Risk Settlement Council, Human Resource Committee, Strategy Committee, Technology Committee, Sustainable Development Committee and BOD Office.

Board of Supervisors (BOS)

The BOS carries out internal auditing, oversees and evaluates the compliance of the bank with statutory requirements, internal regulations, the bank's Charter, the resolutions and decisions of the GMS and BOD. The BOS consists of three members; all of them are dedicated members.

The BOS has an assistant team, internal audit department, it is entitled to use internal and external resources to support in performing its tasks.

Chief Executive Officer – Legal representative of MSB

The Chief Executive Officer (CEO) is the supreme management authority of MSB who manages daily operation and management under the oversight of the BOD and Supervisory Board. The CEO is accountable to the BOD and the law for exercising rights and obligations in accordance with the law and MSB Charter.

As of now, the CEO is assisted by the Deputy CEOs, Division/Center Heads, and advisory councils including Treasury Management Council, Product Council, Asset and Liability Committee, Executive Council, Risk Management Council, and Credit and Investment Council. Units reporting to the CEO include Retail Banking, Corporate Banking, Financial Institutions Banking, Strategic Customers Division, Credit Management Banking, Operations Division, Risk Management Division, Financial Management Division, Marketing and Communication Division, Legal and Compliance Advisory Division, Technology Division, Strategy Division, Digital Transformation Division, Office & Internal Services Division, Centralized Procurement Center, Advanced Data Analytics and Governance Center, and Corporate Culture Board.

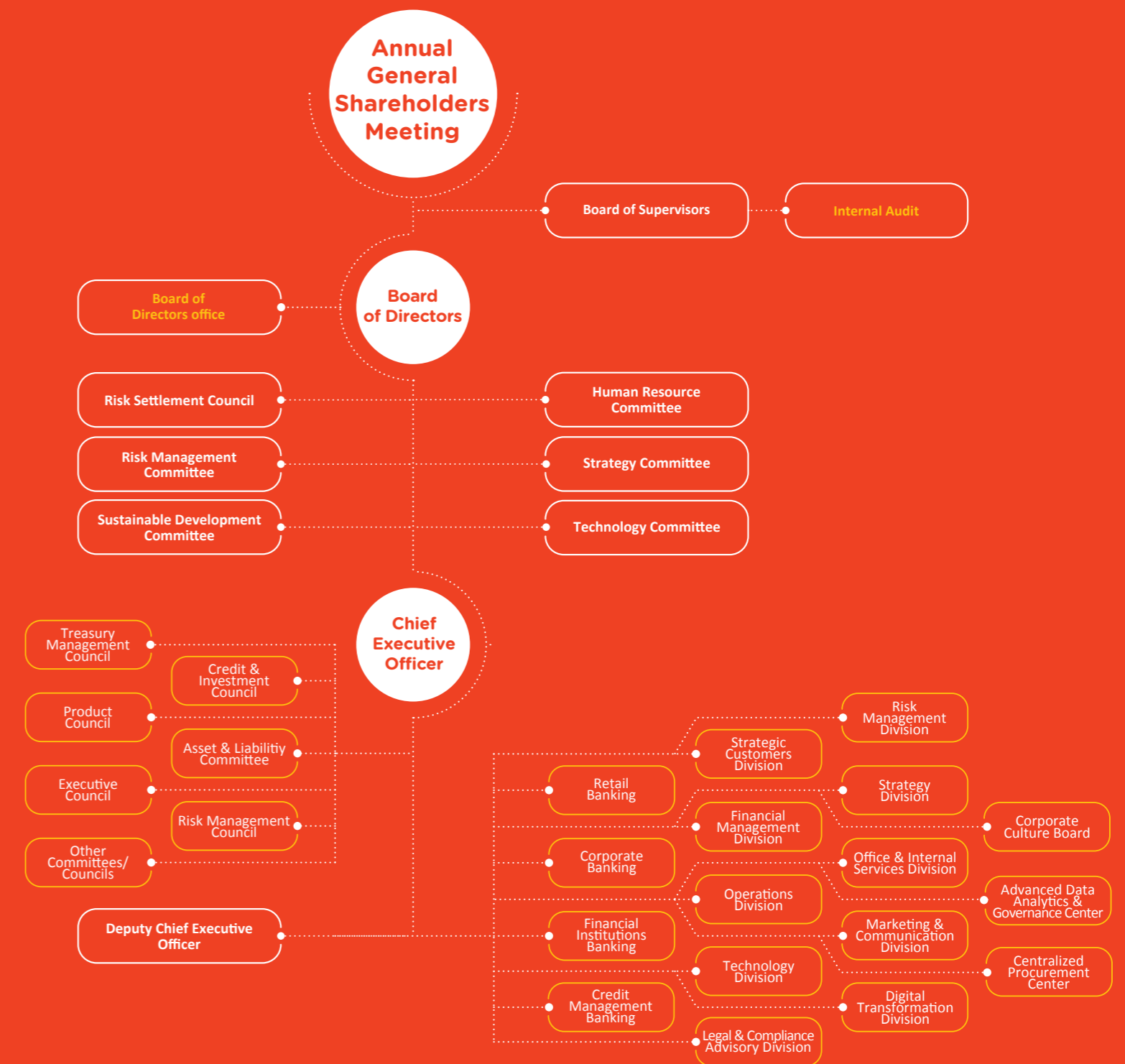
MSB's organizational structure is designed to ensure separation between front and back functions: Business bankings focus on customer acquisition and development. Supporting units perform specialized functions such as operations, technology, and risk management.

Business bankings are structured based on customer segmentation. MSB applies an internal management structure in which each business banking acts as a small bank - the "bank in bank model" - independent in terms of cost, revenue, and profit management. Therefore, the implementation progress of tasks and requests are very smooth and efficient.

Subsidiaries

In 2022, MSB has only one subsidiary - Finance Company Limited for Community (FCCOM)

- Address: KT floor, Thang Long Office building, 98 Nguy Nhu Kon Tum street, Nhan Chinh ward, Thanh Xuan district, Hanoi
- Telephone number: (84-24) 3259 5063
- Registered charter capital: VND 500,000,000,000
- MSB ownership ratio: 100%
- Business lines: Fund mobilization, credit granting, other activities
- Affiliates: MSB does not have any affiliate



INFORMATION ON SHAREHOLDER AND MSB SHARES



STOCK SYMBOL

MSB

Listed on Ho Chi Minh Stock Exchange (HSX) on December 23, 2020



CHARTER CAPITAL

20,000 BILLION VND

Increased from VND 15,275 billion (as of December 31, 2021) to VND 20,000 billion in 2022 through bonus shares program for existing shareholders with ratio of 30% and for Employee Stock Option Program.



- Capitalization: **VND 25,000 billion**
- Number of outstanding shares: **2,000,000,000**
- Number of registered shares: **2,000,000,000**
- Number of listed shares: **1,985,750,000** (*)
- Treasury shares: **0**

SHAREHOLDER STRUCTURE

As of December 31, 2022

No	Shareholder	Number of shares owned	Number of shares owned	Total value (VND)	Ownership ratio
1	Domestic	28,960	1,406,113,770	14,061,137,700,000	70.3%
	Institution	107	784,359,405	7,843,594,050,000	39.2%
	Individual	28,853	621,754,365	6,217,543,650,000	31.1%
2	Foreign	97	593,886,230	5,938,862,300,000	29.7%
	Institution	20	511,392,587	5,113,925,870,000	25.6%
	Individual	77	82,493,643	824,936,430,000	4.1%
3	Treasury shares	0	0	0	0
TOTAL		29,057	2,000,000,000	20,000,000,000,000	100%

NUMBER OF SHARES SUBJECT TO TRANSFER RESTRICTION APPLIED TO INTERNAL SHAREHOLDERS

- Board of Directors: **18.6 million shares** (**)
- Board of Supervisors: **0.61 million shares** (**)
- Employees under ESOP: **32.1 million shares** (***)

(*) As of December 31, 2022, Ho Chi Minh Stock Exchange was reviewing MSB's additional listing documents. As of January 4, 2023, MSB received the approval decision on changing listing registration no. 09/QĐ-SGDHCM in which number of listed shares is 2,000,000,000.

(**) According to Clause 1, Article 56, Law on Credit Institutions No. 47/2010/QH12 dated June 16, 2010, individual shareholders, institutional shareholders represented by Board of Directors members, Board of Supervisors members, Chief Executive Officer (Director) of credit institutions are not allowed to transfer their own shares during their incumbency.

(***) Including ESOP issued in 2021 and 2022, and including ESOP issued to the Board of Directors and Board of Supervisors.

Source: MSB shareholder list as of January 3, 2023 provided by Vietnam Securities Depository

2022 BUSINESS PERFORMANCE REPORT

2022



MACRO-ECONOMIC LANDSCAPE

The global economy was challenged by negative events in 2022 and 2023 outlook is still gloomy. The war in Ukraine has caused prices - especially energy prices - to soar, adding more inflationary pressure to base prices which already surged sharply in the post-Covid period. CPI of the US, UK and EU peaked in the third quarter of 2022 with a double-digit increase over the same period, then gradually declined in the last months though still at a high level. After the Ukraine event, prices of commodities, energy and agricultural products skyrocketed, then cooled down in the second half of the year. By the end of 2022, the global commodity price index increased by 18% year-over-year.

Most central banks tightened monetary policy and hiked interest rates in response to inflation. In 2022, there were about 90 central banks raising interest rates. The FED alone raised interest rates 7 times, including 4 consecutive hikes with a big jump of 0.75%, pushing the rate up to 4.5% - highest level over the last 15 years.

In that context, global trade increased by the second quarter of 2022, then slowed in the second half of the year. PMI for commerce, services and manufacturing fell sharply since October. The economic outlook in 2023 becomes less optimistic with growth rate projected by most international organizations to be lower than 2022. As per latest report in December 2022, the International Monetary Fund (IMF) forecasts global economic growth at 3.2% in 2022 and down to 2.7% in 2023. The Organization for Economic Co-operation and Development (OECD) forecasts that global economic growth will reach 3.1% in 2022 and will subdue to 2.2% in 2023. According to Fitch Ratings (FR), economic growth in 2022 is forecast at 2.6% before slowing to 1.4% in 2023. The World Bank just released a report saying that the world's economy growth fell significantly and is edging towards the second consecutive recession during 3 years. It also forecasts that global GDP in 2023 will increase by only 1.7% (down 1.3% compared to the forecast in June 2022). Among the largest economies, the US GDP is projected to increase by 0.5% (down 1.9%); Eurozone stay at 0.0% (down 1.9%) and Japan up 1.0% (down 0.3%). In emerging and developing markets, China GPD is forecasted to grow by 4.3% (down by 0.9%), Indonesia up 4.8% (down by 0.5%) and Thailand increase 3.6% (down by 0.7%).

Regarding domestic economy, GDP growth reached 5.92% in the fourth quarter and 8.02% for the whole year - the highest level in the 2011-2022 period. Vietnam's economy had fared better in 2022 proved by some key macro-economic indicators. Inflation rate was under control while the average CPI in 2022 increased by 3.15% - much lower than the target of 4%. Total trade turnover was estimated at USD

730 billion for the year, up 9.1% year-over-year, of which export turnover grew by 10.5% and import by 7.8%. Trade balance had a record surplus of USD 12.4 billion. Foreign direct investment (FDI) inflows reached USD 22.4 billion, up 13.5% over the same period. Total retail sales of consumer goods and services in 2022 is estimated at USD 238 billion, up 19.8% over the same period and 15.6% if the price factor was excluded. Total State budget revenue in 2022 recorded at about VND 1.8 million billion, equivalent to 127.8% of estimated number, up 15% compared to 2021. Budget balance in the year saw a surplus of VND 241 trillion.

Despite good recovery in the first three quarters of the year, Vietnam's economy started experiencing some issues from the fourth quarter of 2022. Export growth rate in the fourth quarter declined by 6.5% (increased by 21% in Q2 and 17% in Q3) of which, key export goods such as phones, accessories, electronics, computers, machinery, equipment, and textiles all fell sharply. Consumer demand was low while the revenue of accommodation and catering services in 2022 was only 71% compared to pre-Covid conditions and the revenue of tourism was as low as 40%. Development investment only neared 83% of the whole year plan. FDI newly and additionally registered inflows and capital contribution decreased by 11% compared to 2021.

2023 is considered to be challenging year as the world's economic growth will slow down and the country is still under inflationary pressure, especially considering the delay effect of imported inflation and the pressure to adjust the prices of commodities managed by the Government. While manufacturing and exports will struggle, the driver for economic growth is expected to be public investment and domestic demand. According to the Resolution 01/NQ-CP 2023 of the Government, total retail sales of consumer goods and services sets out to grow by 9%. In addition, the development investment plan in 2023 is also very ambitious with the target of VND 726.7 trillion, up 38.1% compared to 2022 estimated number. The Government targets the economic growth rate at 6.5% and average CPI below 4.5% in 2023.

Aiming at those goals, the most important macroeconomic policies have been drafted in the recently issued Resolution 01: "Continue to regulate a solid, active, effective and adaptive monetary policy; align closely with expansionary fiscal policy and other policies; monitor macroeconomic, fiscal and monetary policies in a timely manner to properly and effectively balance between exchange rates and interest rates, between controlling inflation and promoting economic growth in line with practical conditions".

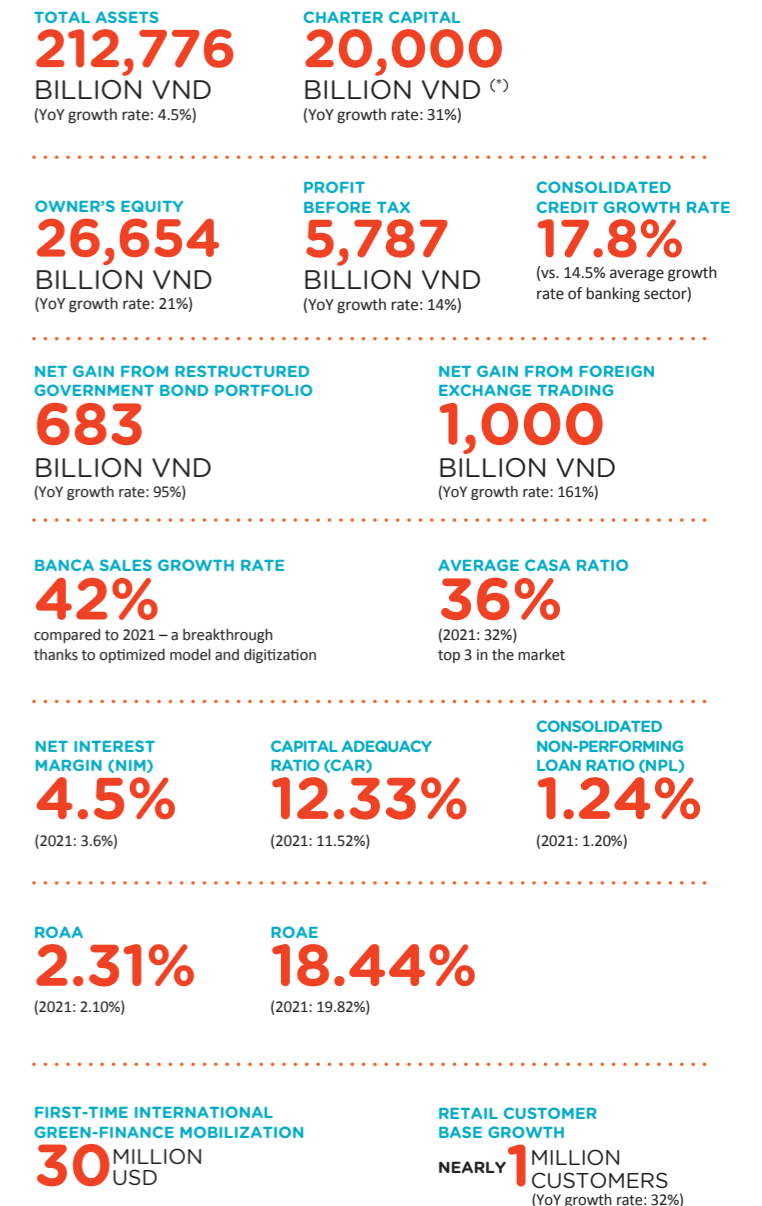
2022 - MSB STRIVES BEYOND CHALLENGES AND TOWARDS A SUSTAINABLE GROWTH

Highlights

- Early fulfillment of five-year strategic plan (2018 – 2023): Total operating income reached VND 10,700 billion – 5% higher than 2023 target, profit before tax posted VND 5,787 billion – 24% higher than target, average CASA ratio was more than 36% - higher than the target of 33%, non-performing loan ratio was only 1.21%, the number of digitized customer journeys in 2022 was double compared to the projection.
- Top 3 market makers in government bond trading volume and value, top 10 in corporate and retail foreign exchange trading turnover, top 5 in interbank foreign exchange market.
- Launched 8 customer journeys for retail and corporate customers; successfully implemented key projects such as Enterprise Architecture Design, Sales Transformation, International Financial Reporting Standards (IFRS).
- Established Sustainable Development Committee involved the Board of Directors and Board of Management members.
- Hit record growth rate of NIM, from 3.63% in 2021 to 4.5% in 2022.
- Maintained robust risk management and liquidity. CAR reached 12.33% and consolidated NPL was controlled at 1.24%. Both restructured loan balance and corporate bond volume subdued.
- Remarkable growth in retail banking in which both income and profit increased by 36% and 57% respectively compared to 2021.
- Fee income from Banca grew by 42% in 2022 if excluding upfront fee collected in 2021.

(* Charter capital had increased to VND 20,000 billion by the time MSB completed the issuance of common shares under ESOP in 2022. However, as the procedures were completed by the end of the year so until January 9, 2023, MSB receive the decision No. 45/QĐ-NHNN on amending business registration certificate in which charter capital was amended to VND 20,000 billion. Shortly after that, MSB made respective changes in accounting books and its Charter and by January 13, 2023, MSB received its business registration certificate amended for the 26th time from the Department of Planning and Investment in Hanoi which certifies new charter capital.

Business performance



REPORT AND ASSESSMENT OF THE BOARD OF MANAGEMENT

2022 – Continue to conquer new heights and build up foundation for sustainable development

Having recovered from the pandemic in 2020-2021 with notable socio-economic achievements, Vietnam was hurt by negative impacts from the world's political and economic turmoil and lingering effects of Covid-19. Besides, geopolitical volatility, energy crisis, and tightened monetary policies of central banks around the world continued to directly harm Vietnam's economy. Yet, Vietnam maintain optimistic outlook with 2022 GDP growth rate of 8.02% compared to 2.58% in 2021. Average CPI in 2022 increased by 3.15% compared to 2021, meeting the target of below 4%. Key growth drivers include steady domestic and foreign demand leading to the development of manufacturing and processing, recovery of hospitality and service sectors, increased FDI inflows supporting the economy, adaptive fiscal policy to offset the volatility of energy prices, opportunities for businesses opened by free trade agreements, etc.

Banking sector also made a significant contribution to revive Vietnam's economy last year. Vietnamese banks partly met capital demands of the economy with annual credit growth rate of 14.5% compared to the end of 2021. Deposit and lending interest rates increased in line with global trends and were well controlled by the policies of competent authorities. Despite some hiccups, foreign exchange market was stabilized in the last months of the year. Corporate bond policies were issued to control funding mobilized through bond offerings and make funding less accessible. Any banks having large bond portfolios had to restructure according to regulatory requirements. As can be seen, in 2022, Vietnamese banks prioritized risk management, liquidity adequacy, strengthen balance sheet, and boost investment in technology, digitization, product development, and human resource training.

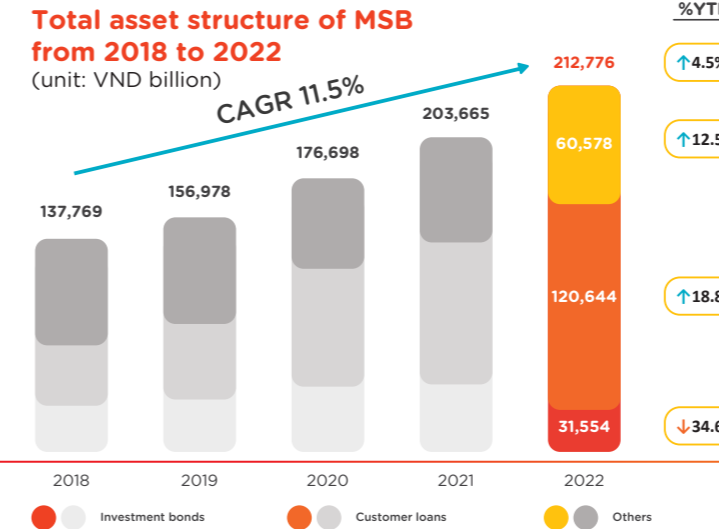
In this context, profit before tax of MSB grew by 14%, amounting to VND 5,787 billion; credit growth under the approval of the SBV hit 16.35% for bank only and 17.8% on the consolidated basis; NIM posted a record high growth rate at 4.5% against the background of high cost of funds in the banking sector in general. One of the supporting factors for the bank amid interest rate volatility was the CASA attraction. Average CASA to total deposits of MSB was 36%, making the bank top 3 in banking industry. This is a cost-efficient source of fund that MSB has been promoting over recent years.



In 2022, MSB acquired nearly 1 million new customers, bringing the total customers base to nearly 4 million. Digitalization, internal process transformation and sales transformation projects started to produce positive results such as substantial growth in transaction volume and value on e-banking channel. Typically, in Retail Banking, transaction value on e-banking grew by 32% against 2021 and 2.4 times higher than 2020; while transaction volume also increased by 61% against 2021 and 3 times higher than 2020. Thanks to the expansion of customer base, MSB recorded a new milestone in foreign exchange turnover at USD 1 billion/month, pushing MSB into top 10 banks in this segment. 2022 was the third consecutive year that MSB was named the bank with the largest foreign exchange trading volume and the most active bank on FX Matching trading system according to Refinitiv statistics – the world's leading provider of financial information and data. Thanks to the efforts of 6,000+ employees, the unity and commitment to achieve goals of a professional organization, and the innovation and persistence of the Board of Directors and Board of Management, MSB is proud of moving up by 159 places in the list of 500 strongest banks in Asia-Pacific region released by The Asian Banker by the fourth quarter of 2022. As a result, MSB jumped from the No. 356 to No. 197 in 2022.

Total assets and balance sheet structure

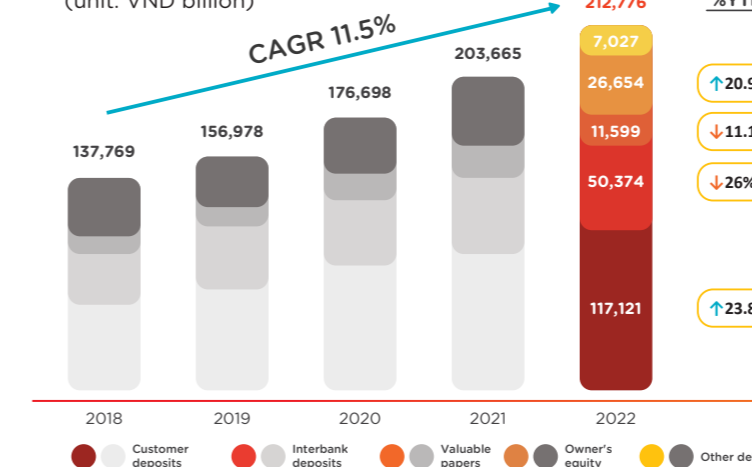
Total assets



MSB's total assets grew approximately by 4.5% compared to 2021, reaching VND 212,776 billion and the bank recorded a compound annual growth rate for the period 2018-2022 at 11.5%. Total loan to customers accounted for 56.7% of total assets with a growth rate of nearly 19% in 2022. Investment bonds saw a relative decrease, to only VND 31,554 billion compared to VND 48,257 billion as of December 31, 2021. MSB restructured a substantial proportion of its government bond portfolio in the first half of 2022 before market interest rates started to hike. The bank invested in these bonds in previous years and this divestment delivered a profit of about VND 683 billion, recorded for investment securities trading in 2022. This was a very firm action amid much volatility during the year, it confirmed the experience of a government bond market maker is one of the factors helping MSB generate profit from bond investment. Aiming at strengthening balance sheet, MSB also sold a number of foreclosed assets during the year and reduced other assets item. Foreclosed assets will be aggressively settled to increase the proportion of earning assets and improve business efficiency.

Liability and owner's equity structure of MSB from 2018 to 2022

(unit: VND billion)



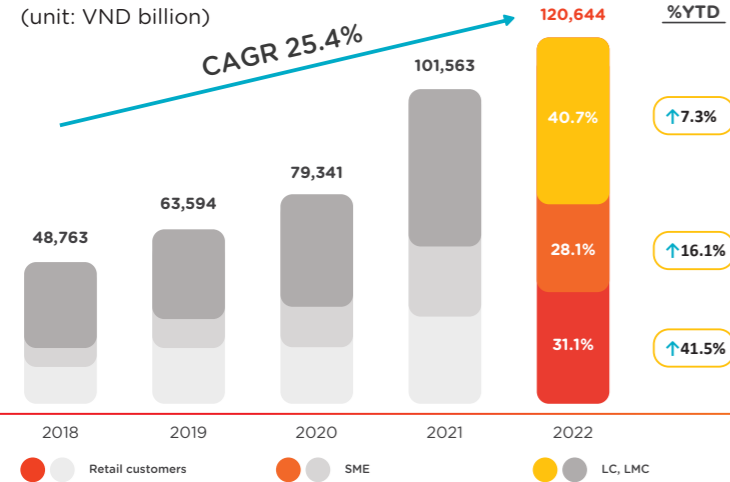
The structure of liabilities and deposits in 2022 shows how our strategy was executed properly as customer deposits increased by 23.8% in 2022, reaching VND 117,121 billion, while interbank deposits and borrowings declined by 26%. The mobilization from customers could be considered optimal, stable and efficient sources with significant proportion of CASA. Owner's equity also increased by 21% in the year, reaching over VND 26,650 billion. Charter capital increased from VND 15,275 billion to VND 19,857 billion through the issuance of bonus shares to existing shareholders. Charter capital continued to increase from VND 19,857 billion to VND 20,000 billion through the issuance of 14.25 million shares under the Employee Stock Option Program in 2022; however, this new charter capital was not yet been accounted because the completion of related procedures extended to the beginning of 2023^(*).

(*) On January 9, 2023, MSB received the decision No. 45/QĐ-NHNN on amending Business registration certificate of MSB which certifies new charter capital of VND 20,000 billion. On January 10, 2023, MSB amended its Charter into new charter capital and on January 13, 2023, MSB received its Business Registration Certificate amended for the 26th time.

Loan to customers

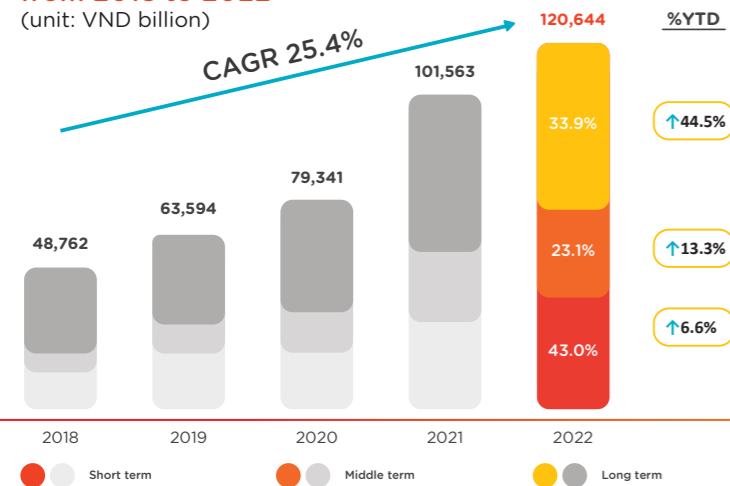
Loan to customers by segment from 2018 to 2022

(unit: VND billion)



Loan to customers by maturity from 2018 to 2022

(unit: VND billion)

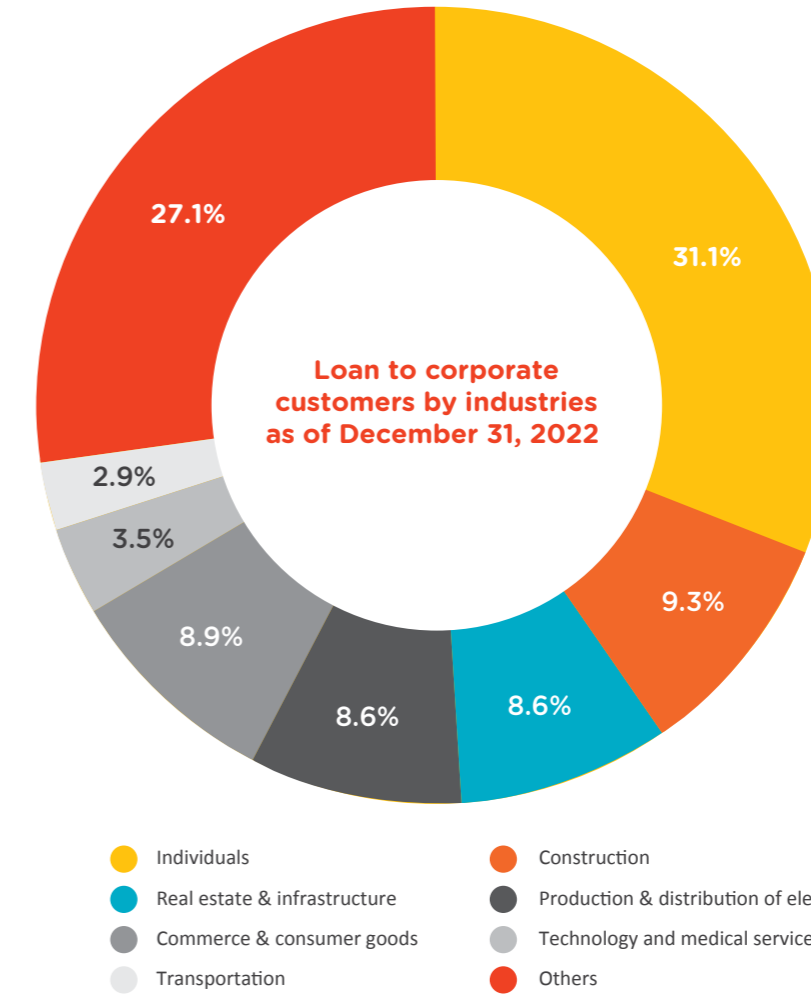


MSB posted a positive profit growth in the strategic period of 2018 - 2022 thanks to the remarkable growth of loan to customers. During this period, the compound annual growth rate of loan to customers reached 25.4%. In 2022, the SBV approved a high credit growth to MSB compared to industry average, at 16.35% for the bank standalone and 17.8% on a consolidated basis covering FCCOM growth. MSB's total loan to customer balance reached VND 120,644 billion, in which the proportion of loans to retail customers expanded considerably, from 26.1% of total customer loans in 2021 to 31.1% as of December 31, 2022. This customer segment also scaled up significantly with nearly one million new retail customers acquired in 2022.

Looking at the breakdown by loan maturity, 43% of total loan to customers was short-term loan, 23.1% medium-term loan and 33.9% long-term loan. Given the uncertainties over last few years, MSB focused on secured loans back by high-liquid collaterals. The share of secured loan increased from 82% in 2021 to 87% of total loan to customers in 2022.

In terms of loan to corporate customers, MSB recorded a position transition in which loan to high-risk industries subdued while the bank extended its support to customers in import-export, commerce, manufacturing, etc. industries who were resilient post-Covid and particularly focused on sustainable development strategy. In particular:

- Loan to real estate sector and infrastructure reduced from 11.95% of total loan portfolio as of December 31, 2021 to 8.6% as of December 31, 2022;
- Loan to construction sector reduced from 13.96% of total loan to customers by the end of 2021 to 9.3% by the end of 2022.
- Loan to production and distribution of electricity, energy and technology services, scientific and technological activities, administrative services, health education, information and communication saw a significant increase in proportion.



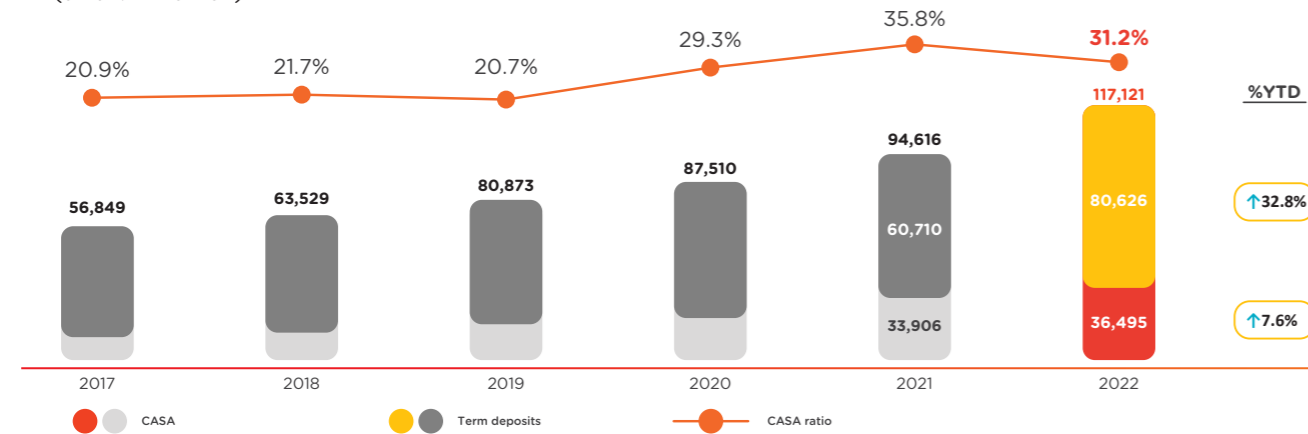
We saw a change in retail lending product mix as retail customer base grew over the year. The proportion of credit card significantly grew by 78% while consumption and auto loan dropped. Average product holding per customer also jumped over the year, i.e., 2.87 products used per customer, up 8% against 2021 and 10% against 2020. This ratio is expected to double by 2027.

Retail banking will be the main driver for MSB's business growth under long-term strategy. We made strong investment in product development, digitalization, and boosted sales productivity since the beginning of 2022, and now the outcomes became tangible after one year of implementation.

Mobilized funding and customer deposit mix

Customer deposits by term of MSB from 2017 to 2022 (as of December 31 annually)

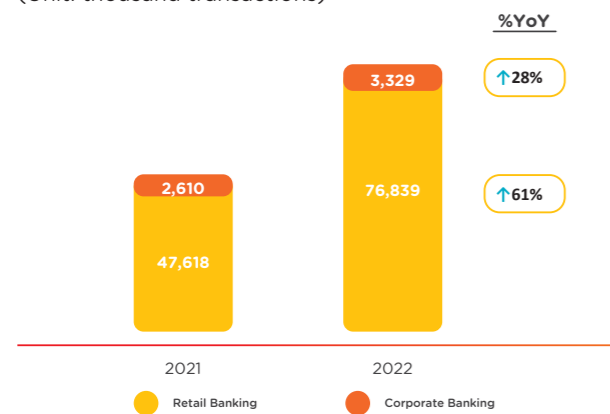
(unit: VND billion)



In 2022, banks in the world and in Vietnam experienced much volatility in interest rates from the second half of the year. Given a growth rate of 26% in customer base and our provision of tailored products and services, MSB's customer deposits grew by 23.8% in 2022, amounting to VND 117,121 billion in which e-banking channel saw a strong expansion thanks to promotion in digitization and technology. Both transaction volume and value in retail and corporate e-banking made a breakthrough, specifically:

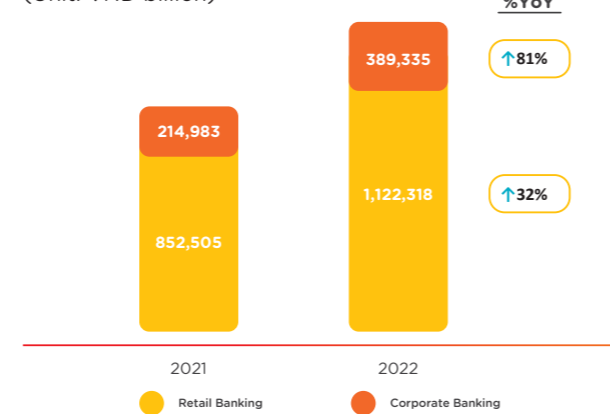
e-banking transaction volume of MSB from 2021 to 2022

(Unit: thousand transactions)



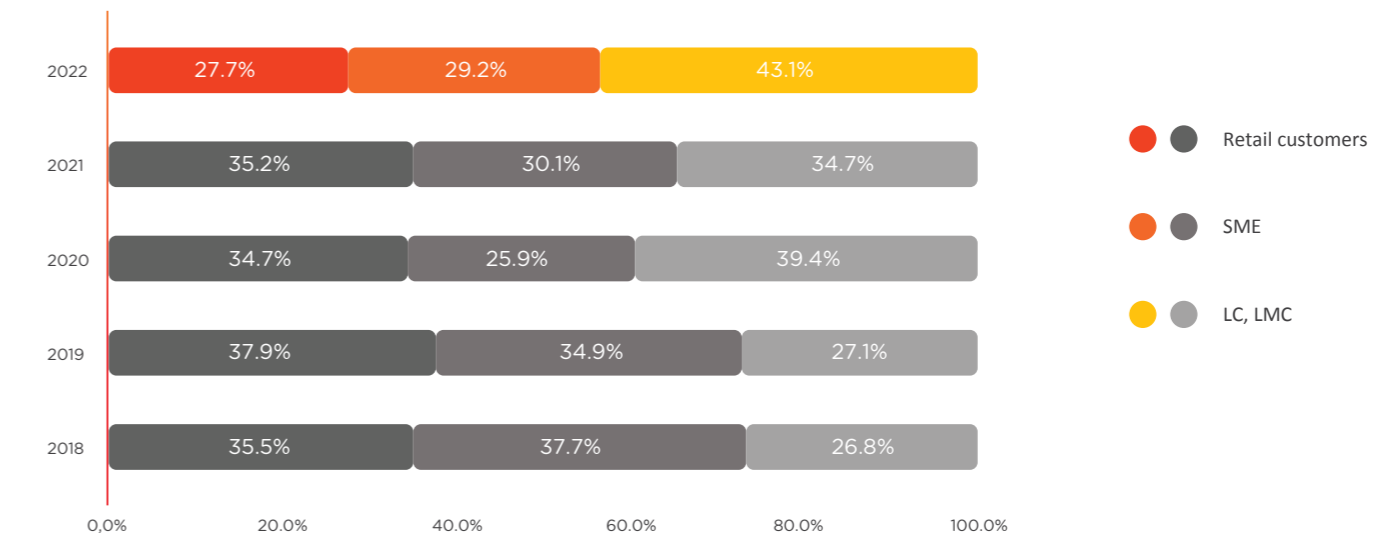
e-banking transaction value of MSB from 2021 to 2022

(Unit: VND billion)

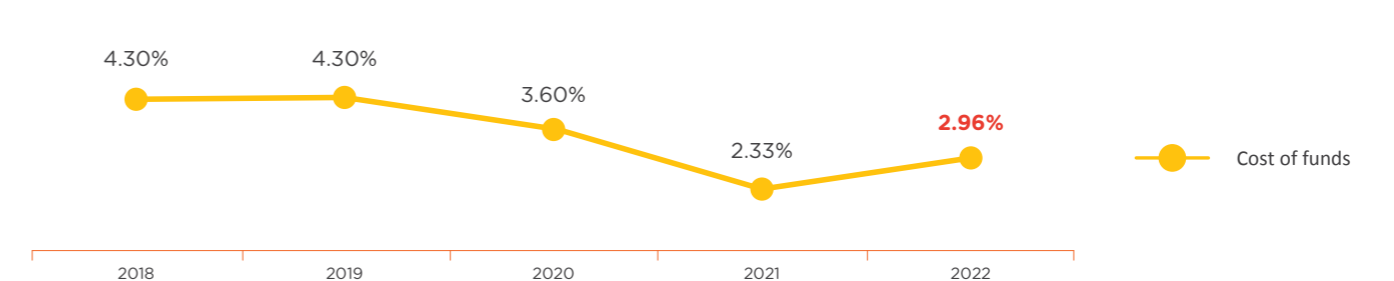


Smart and user-friendly online platform featured a host of convenient products boosted the engagement of customers and drove the efficiency of CASA attraction at MSB. The average ratio of CASA to total deposits reached 36%, making MSB top 3 player in the market. MSB optimized its funding mix with nearly VND 36,500 billion of CASA, which is a cost-efficient funding source that helped the bank curb cost of funds amid many adverse movements of interest rates in the second half of the year.

CASA contribution by customer segments from 2018 to 2022



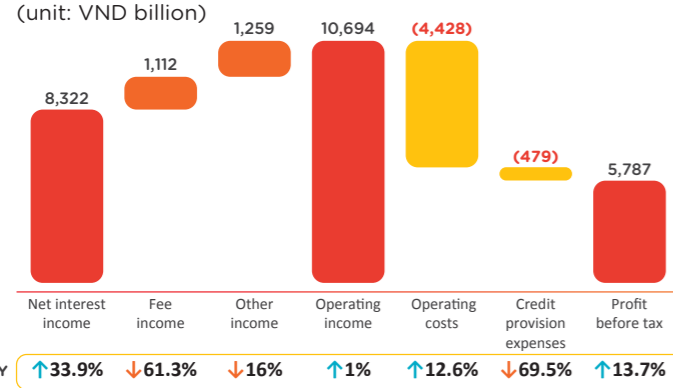
Cost of funds of MSB from 2018 to 2022



Total operating income and Profit before tax

Total operating income (TOI)

Total operating income structure in 2022 compared to 2021



MSB targets to increase the ratio of non-interest income to TOI to 30%. This goal is expected to be realized by Retail Banking as it contributed to more than 40% of total non-interest income in 2022.

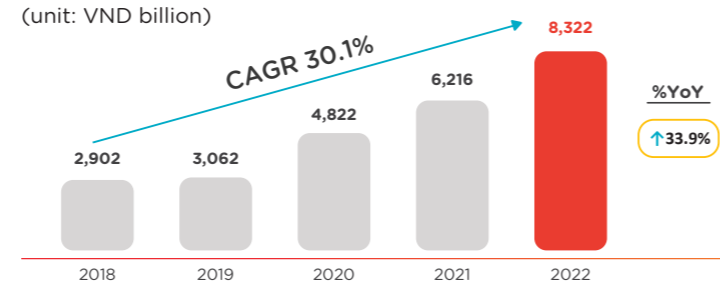
Among business activities generating non-interest income, MSB had a breakthrough in net gain from foreign exchange trading in 2022, up more than 2.6 times against 2021. Thanks to it, MSB became the bank with largest FX trading volume and the most active bank on FX Matching trading system according to Refinitiv data on interbank FX trading. MSB was also listed in Top 10 banks with the largest FX trading volume. FX trading contributed up to 9.36% of MSB's total operating income.

Besides, banca is also a key driver for non-interest income growth. The bank targets to achieve minimum growth rate of 30% per annum for banca sales. If excluding the upfront fee from the exclusive agreement with Prudential in 2021, banca sales grew by 42% in 2022 and recorded a compound annual growth rate of more than 50% for 2018-2022 period. MSB successfully shifted banca sales model from referral to direct sales since the third quarter of 2022. As a result, fee income had a better growth rate and cross-selling strategy was adopted more efficiently.

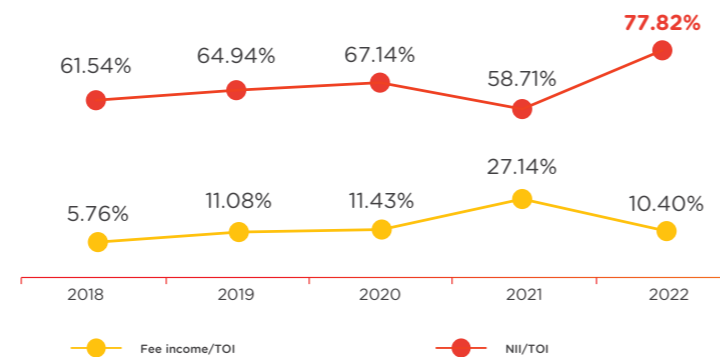
MSB's total operating income (TOI) reached approximately VND 10,700 billion in 2022, of which net interest income (NII) accounted for nearly 34%, at VND 8,322 billion. Other interest income items also grew quite strongly. NII's compound annual growth rate since 2018 was over 30% and net interest margin posted a record high growth rate of 4.5% in 2022. NIM growth was associated with MSB's effective control of cost of funds. The compound annual growth rate from 2018 to 2022 of TOI and profit before tax reached 22.7% and 53.1% respectively.

As the main driver of key business lines, income from credit activities in both retail and corporate banking contributed a major part to total operating income.

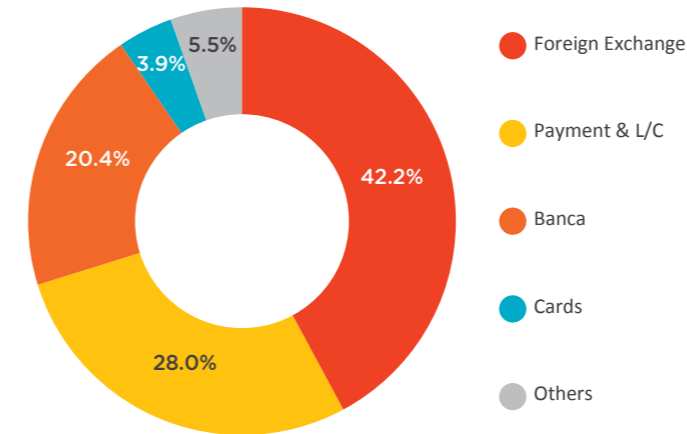
Net interest income from 2018 to 2022



Net interest income contribution to TOI from 2018 to 2022

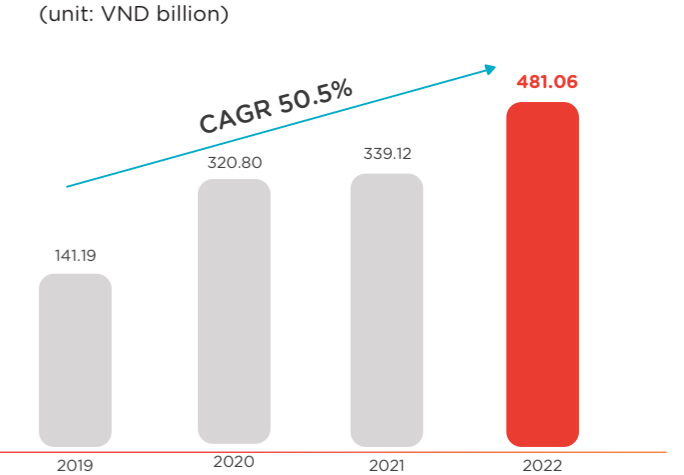


Fee income structure in 2022

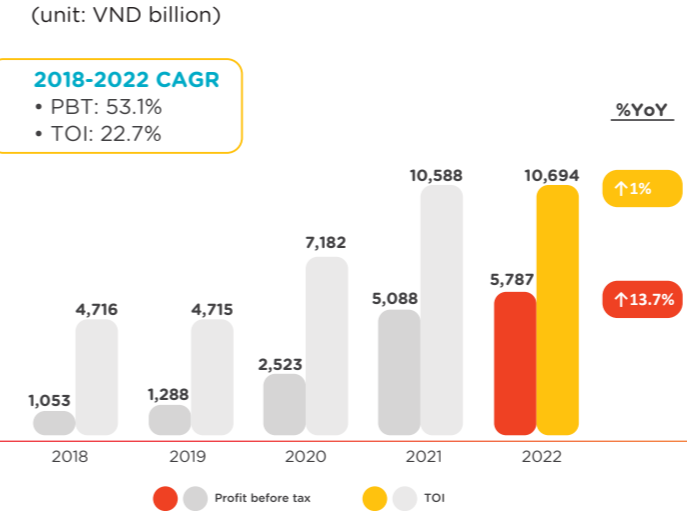


Aiming at driving TOI growth, the bank will make use of key digitalization and technology projects, which have been invested aggressively in the last two years, to improve utility, optimize customer experience, and enhance MSB's competitive advantage in the market.

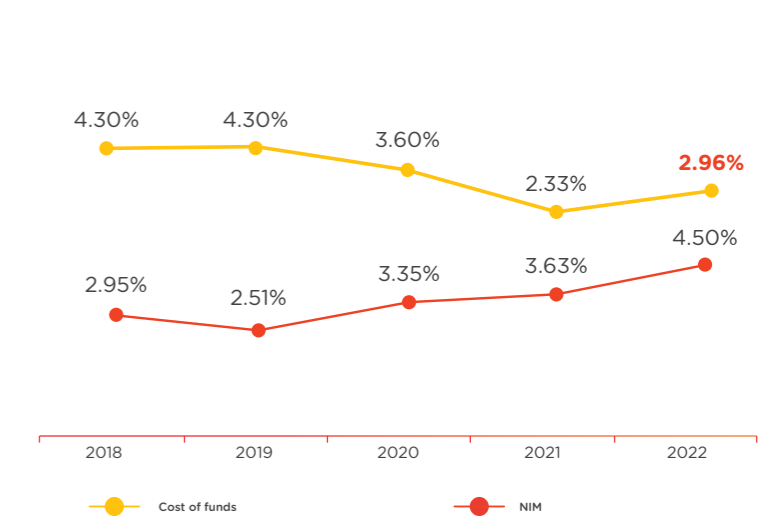
Fee income from bancassurance from 2019 to 2022



Total operating income (TOI) and Profit before tax (PBT) from 2018 to 2022



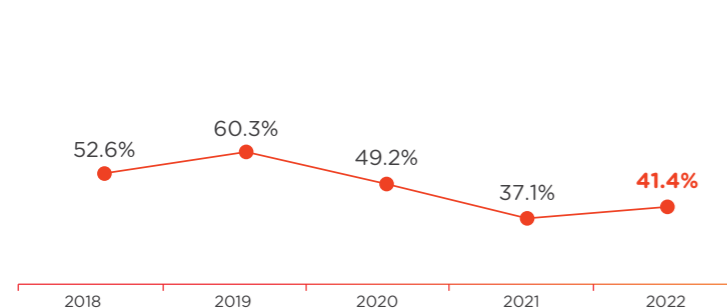
Funding cost and net interest margin from 2018 to 2022



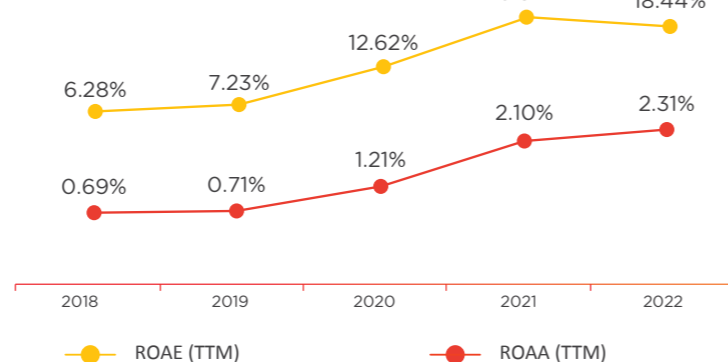
Operating expenses and profit

In 2022, MSB strongly focused on key projects. Hence, the bank had a significant increase in workforce, by over 1,100 FTEs. Correspondingly, personnel expenses increased from VND 2,397 billion to VND 2,648 billion. At the same time, average monthly salary per employee was raised from VND 27.2 million/month/person in 2021 to VND 34 million/month/person in 2022 to better support the livelihood of employees. Administrative expenses also increased by about 20% compared to 2021 due to the recovery of business operations and back-to-normal conditions after Covid-19. Per diem also increased due to business and partnership promotion. As a substantial proportion of operating expenses (OPEX), in 2022, personnel costs contributed to an increase of OPEX by 12.6% compared to 2021, amounting to VND 4,428 billion. It was also the main contributor to the increase of cost to income ratio (CIR) to 41.4%. According to strategic plan of the bank, the productivity of employees will be improved thanks to the investment for system digitalization and integration. MSB expects that CIR will land at around 30% by 2027.

Cost to income ratio from 2018 to 2022



Profitability from 2018 to 2022



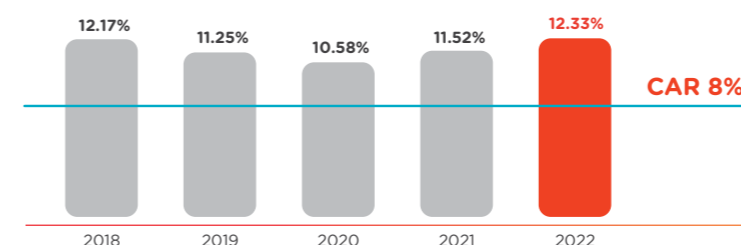
MSB's profit before tax and profit after tax posted at VND 5,787 billion and VND 4,616 billion respectively in 2022, both grew by 14%. Given the increase of 21% in owner's equity, return on average equity declined compared to 2021, at 18.44%. However, return on average assets improved from 2.1% to 2.31% over the year, mainly from the restructuring of asset portfolio and higher proportion of earning assets.

Risk management and asset quality improvement

Capital Adequacy Ratio - CAR (*)

MSB's consolidated capital adequacy ratio in accordance with Circular 41 of the SBV reached 12.33% by the end of 2022, higher than 11.52% by the end of 2021 and about 1.5 times higher than the minimum requirement of regulator and Basel II standards (8%). MSB is among high-CAR group in banking sector.

Capital adequacy ratio from 2018 to 2022 (*)

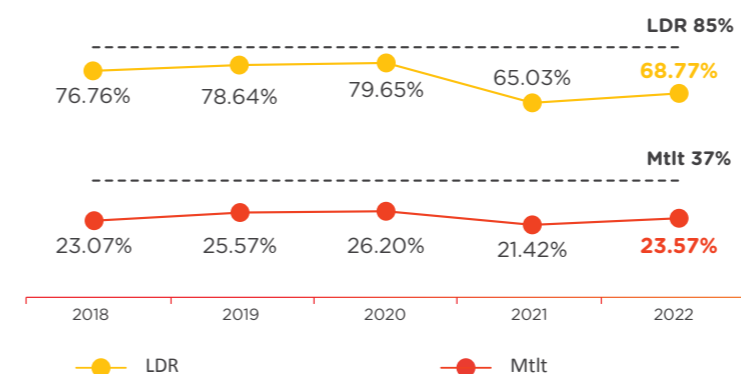


In 2022, MSB constantly studied new approaches, upgraded its risk models and systems to improve the efficiency of risk assessment and risk-weighted asset management. As a result, our CAR has always been better year over year, ensuring to hit target and meet the minimum requirements set out by Circular 41 of the SBV.

In 2023, MSB plans to maintain CAR above 11% to ensure financial strength even in case of market downturn and comply with internal and regulatory requirements.

Loan to deposit ratio and short-term funds for medium- and long-term loan - Mtlr (**)

LDR and MTLT from 2018 to 2022



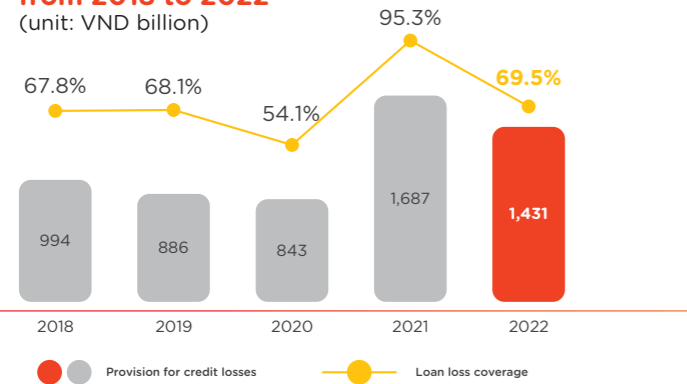
In 2022, MSB controlled its credit growth in a prudent and efficient manner under the cap approved by the SBV. By the end of each month, MSB ensured that credit growth rate was maintained according to the limit granted by regulator. LDR (separate number) in 2022 was only 68.77%, lower than the cap of 85% set by the SBV. Short-term funds for medium- and long-term loan ratio (Mtlr) was 23.57% compared to the cap of 37%. In recent years, MSB actively cooperated with foreign partners to mobilize long-term funding. It affirmed MSB's position in global market, and these fundings supported for liquidity ratios according to the regulations.

(*) Calculated according to Circular 36/2014/TT-NHNN in 2017 and 2018. From 2019, CAR has been calculated according to Circular 41/2016/TT-NHNN (CAR under Circular 36 was 10.25% in 2019)
 (***) Bank's standalone LDR and Mtlr calculated according to Circular 02/2012/TT-NHNN

Non-performing loan and provision (*)

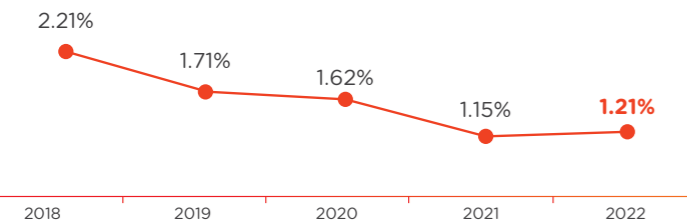
Provision for credit losses at MSB from 2018 to 2022

(unit: VND billion)



Non-performing loan ratio of MSB from 2018 to 2022

(unit: VND billion)



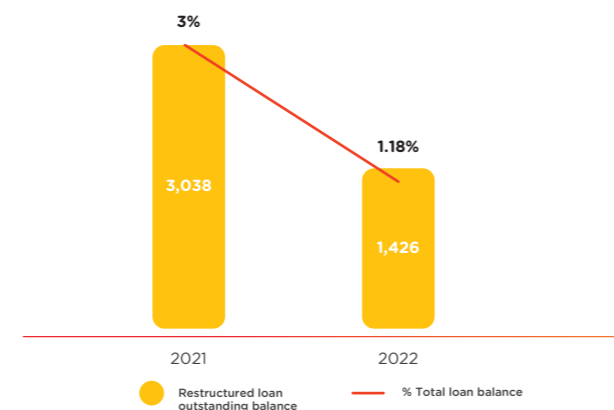
According to restructured loan data, total restructured loan outstanding at MSB as of December 31, 2022 was VND 1,426 billion. Restructured loan to total outstanding was 1.2%, in which real estate outstanding was VND 66 billion, accounting for only 4.65% of restructuring portfolio.

(*) Bank's standalone NPL was calculated according to Circular 02/2013/TT-NHNN from 2017 to 2020 and Circular 11/2021/TT-NHNN in 2021.

NPL ratio of MSB standalone after CIC (Credit Information Center of Vietnam) in December 2022 was 1.21%, up 0.06% year-over-year mainly due to the impact of CIC. Consolidated NPL was 1.24%, up 0.04% compared to 2021. In 2022, although the economy and MSB's business underwent lingering effect of Covid-19 epidemic, MSB took initiative in adopting early warning measures, accelerating debt collection process, downsized high-risk lending portfolio, etc. As a result, the bank's internal NPL ratio before CIC improved from 1.06% in 2021 to 1.00% in 2022.

Consolidated special mention loan ratio was controlled under 1% in line with the bank's policy, regulations, and risk appetite. Loan loss coverage (LLC) ratio decreased in 2022 mostly because of provision reversal while the bank received payment of restructured loan from restructured clients LLC is expected to recover in 2023. On top of portfolio-level management, MSB also focused on post-disbursement management at the customer level. MSB has been monitoring closely business activities of customers and their related parties, validating and observing their capital use and financial strengths according to the regulations to ensure proper use of capital and sufficient repayment capabilities.

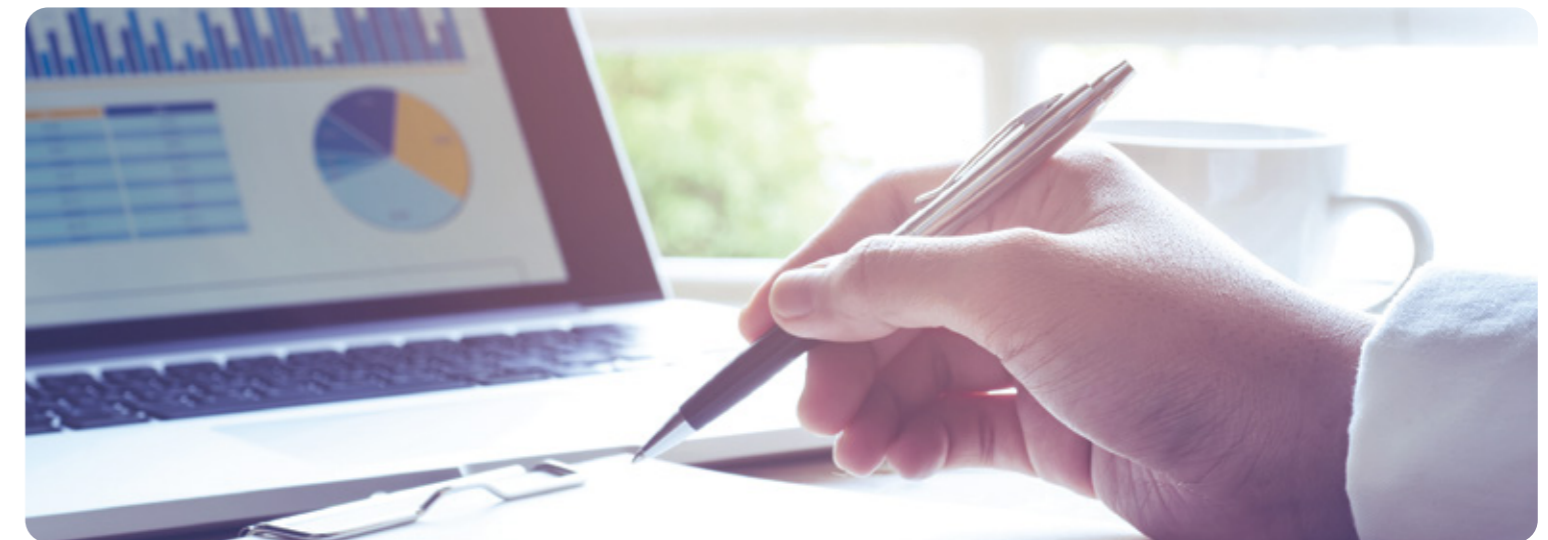
Restructured loan outstanding balance and its ratio to total loan balance in 2021 and 2022



Moody's credit rating

Outlook	Stable
Counterparty Risk Rating	Ba3/NP
Bank Deposits	B1/NP
Baseline Credit Assessment	b2
Adjusted Baseline Credit Assessment	b2
Counterparty Risk Assessment	Ba3(cr)/NP(cr)
Issuer Rating	B1

With tight risk appetite compared to the industry, MSB is prudent in loan approval and management while controlling prudential indicators to maintain sound operations. As a result, Moody's - international credit rating agency - continued to assign Stable rating to MSB's outlook. MSB was also one of the credit institutions in Vietnam whose rating was upgraded by Moody's in 2021 and 2022 amid negative macro changes and Covid-19 impacts on the market.



Core business performance

Business performance in serving individual customers

Retail Banking - a service provider to individual customers - is a strategic business segment and considered to be one of MSB's main growth pillars. Despite obstacles enduring from Covid-19 pandemic and the Government's policy on tightened credit growth in 2022, Retail Banking still earned the confidence and support of individual customers thanks to its provision of convenient products and services with optimal, smooth processes. In the next steps, Retail Banking is committed to continuously invest for product and service innovation in order to capture market needs. Thus, it aims to accompany customers to achieve to next level business development with superior banking solutions, especially in the digital era.

2022 – THINK BIG DO BIGGER

2022 was a year of outstanding growth and excellent achievements of Retail Banking. Inspired by "think big do bigger" motto together with the commitment of nearly 4,000 employees, TOI of Retail Banking reached VND 3,798 billion, hitting 108% of 2022 target. Along with well-controlled expenses, Retail segment's profit doubled compared to 2021, nearly 1 million new customers were acquired to bring customer base to nearly 4 million across all sub-segments. Retail Banking is expected to be the driving force for MSB's profit.

Recognized its efforts in growing retail segment, MSB was honored to receive three international awards: "Card issuance breakthrough in 2022" awarded by Master Card; "Leadership in Debit Payment Volume Growth" and "Leadership in Payment Volume Growth" awarded by VISA.

Although credit growth across the market faced some adversities in 2022, total loan outstanding balance of Retail Banking grew by 36% against 2021. Most of the key credit products grew by over 20%, especially credit card, unsecured loan, and overdraft outstanding saw a robust growth by 78%, 72% and 51% respectively compared to 2021. Such growth reaffirmed the persistence of Retail Banking and MSB to the goal of "being customer-centric to improve customer experience". Meanwhile, superior product policies and solutions, optimized lending journey thanks to technology adoption, digitized processes and automated customer rating system contributed business efficiency.

In terms of capital mobilization, Retail Banking sustained good growth in term of accounts and deposit expansion, as a result, number of customers reached nearly 4 million and total mobilization volume increased by 24% against 2021. High- and middle-income depositors continued to be the focused and main contributor, accounting to 58% of total deposits. Strong focus on key customer segments, development of excellent deposit products and enhanced technology adoption, especially into e-banking that helped MSB promote sustainable growth of capital mobilization and e-banking products as well.

Regarding non-credit activities, Retail Banking continued to record a leap in net gain from foreign exchange products in 2022, 3.2 times higher than 2021, hitting 261% plan. This non-credit segment contributed VND 1,514 billion to net income growth with an increase in its share from 38% in 2021 to 40% in 2022.

Retail Banking devised clear strategy and initiatives to expand more customer touchpoints and provide extensive training to salesforce. Total MSB's salesforce reached nearly 4,000 FTEs (full-time employees) who are the key force and foundation for the sustainable development of Retail Banking in 2023.

2023 OBJECTIVES AND DIRECTIONS

Given the unpredictable global macro economy, 2023 is considered a challenging year. Following an adaptive strategy, Retail Banking sets out the following targets:

- TOI will grow by 34% against 2022
- 2 million new customers will be onboarded with stronger acquisition on e-banking
- Income from credit activities is targeted to increase by 43%
- Income from non-credit activities is forecasted to go up by 23% in which, new product lines for priority banking will be the key momentum.



There are four pillars supporting Retail Banking to reach its goals:



In 2023, MSB will deploy a coordination and planning strategy to Branch Managers, Deputy Branch Managers, and salesforce at centralized sales channels under the target "Improve productivity and optimize costs".

Positioning itself not only as a business line but also a community with shared goals and commitment, Retail Banking will continue to strive towards more ambitious targets and accelerate aggressively in 2023 to deliver a profit growth rate of 50%.

Business performance from Corporate customer segment

2022, the post-Covid recovery year posed a lot of challenges to Vietnam's economy. Businesses struggled with negative events simultaneously like global economic downturn, supply chain disruption, high inflation rate, tightened monetary policies, etc. In that context, banking industry also suffered and needed to adopt more adaptive strategy to tackle.

In 2022, MSB took initiative and set target not only in business growth but also supporting customers to help them overcome challenges. As the main provider of corporate financial services and a growth driver in MSB, Corporate Banking made strong efforts and delivered outstanding results in 2022:

- Credit outstanding balance grew by 11% year-over-year
- Capital mobilization increased by 29% year-over-year
- CASA: accounted for 44% total corporate customer mobilization
- Total operating income rose by 22% year-over-year
- Profit excluding provision grew by 46% year-over-year

Following the direction of sustainable development, Corporate Banking strongly supported and extended credit to customers who adopted sustainable development standards in their business activities. As of December 31, 2022, total green loan balance reached VND 5,478 billion, granted to 86 customers in which renewable energy was concentrated. MSB reserved much of its credit resources for corporate customers while promoting green growth under the country's plan. Corporate Banking aligned with MSB's long-term strategy through developing roadmap and revising business strategy to reduce and aim to eliminate high carbon emission industries from credit portfolio while extending more financing to low carbon emission ones in order to protect the environment.

Corporate product and service highlights

Given the trend of digital transformation and after 2 years of Covid-19 outbreak, cashless payment has become more popular both in quality and volume. MSB is one of the pioneering credit institutions in developing exclusive digital products for corporate customers to improve customer experience and meet market demand, such as:

- **M•Smart:** This account solution offers various payment features and many benefits such as transaction fee-free/fee refund, helping businesses optimize costs, save time and resources.

- **M•Power unsecured solution plan:** This solution plan offers an online unsecured credit limit of up to VND 15 billion and super-fast approval within 24 working hours. M-Power features excellent utility when the process is fully done online from building a business plan, submitting documents, status tracking, approval, disbursement, Telegraphic Transfer Reimbursement, and selling foreign currency from only VND 0 fee, limit inquiry, etc.

- **M•360 specialized solution:** This flexible financial solution is customized for ancillary businesses, fully meeting their credit needs for production plans. Customers can actively choose one or combine different financing products with a limit up to VND 200 billion without collateral or 305% of collateral value.

- **Specialized solution for consumer durables businesses (electronics - refrigeration, home appliances, stationery):** This solution features various financing methods varied by business cycle. Secured financing limit can be up to 270% of collateral value, while unsecured financing limit can be up to VND 200 billion. It also offers customers with a superior digital experience such as online account opening, 24/7 bank transfer, super-fast online disbursement, and a host of fast and convenient features such as international money transfer, foreign currency trading, LC issuance, etc.

- **FMCG (Fast-moving consumer goods) solution:** Enterprises are financed with a limit of 100% without collateral or a limit equivalent to 2.5 times collateral value and unsecured limit for peak business seasons can be up to VND 10 billion maximum.

- **Pharmaceutical and healthcare solution package:** This special solution provides financing based on business plan, even if there is no official bidding decision or no purchase agreement has been signed yet. MSB offers a financing ratio up to 100% of input costs with a credit line equivalent to 2.5 times collateral value, in which loan limit is equivalent to 1.4 times collateral value.

- **Pre-shipment export financing solution:** MSB provides financing to enterprises to handle export orders in which customers got disbursements upon signing the export contract/order or upon receiving export LC (Letter of Credit). Maximum financing ratio is up to 90% of the order receivables.



- **Credit cards, overdraft cards:** They help enterprises proactively and effectively manage their cashflows and expenses. MSB also launches a preferential scheme in which loyal corporate customers with good credit history can access to an extended credit card and overdraft limit of up to VND 700 million.

- **Online disbursement:** Customers can get online disbursement via IB (Internet Banking) using e-signature on all transaction papers and skipping going to physical branches.

- **Online LC/Letter of Guarantee:** Customers can request LC/Letter of Guarantee issued via Internet Banking and skip going to physical branches.

2023 plan and directions

Following digital transformation journey, MSB and Corporate Banking in particular plan to promote digitalization in 2023 as an important part of the overall business strategy, focusing on the development of digital products and services for corporate customers.

In addition, Corporate Banking continues to develop solutions for enhancing customer experience such as:

- Segmentation and development of customer base by key industries, developing medium and long-term financing policies for key customer groups and specialized solutions for each customer segment;

- Focus on research and development of new solution, products, especially for service segment, reviewing current packages to make appropriate adjustments including pharmaceutical and medical supplies solutions and FMCG solution plan;

- Expanding customer base by offering cash flow management, credit fund, etc., accelerating the acquisition of import-export customers, promoting marketing schemes to increase number of users opening M-Smart accounts via eKYC;

- Digitizing the provision of overdraft limits, issuing credit cards on corporate IB/MB (Internet Banking/Mobile Banking) channels;

- Deploying new features on e-banking, promoting direct integration for collection and payment;

- Drafting a roadmap for the integration of environmental - social risk management into corporate credit facilities and trade finance. Developing customized products for customers who apply "green" business standards and promoting the utilization of international funding for sustainable development. More importantly, the plan of "greening" customers is also a priority of Corporate Banking in the time to come.

Interbank activities

Among credit institutions in Vietnam, MSB is well-known for its special management structure of “bank-in-bank” with 4 sub-banks operating independently as a single bank and altogether maximizing income and profit of the organization. They are Corporate Banking, Retail Banking, Credit Management Banking and Financial Institutions Banking (FI).

MSB's Financial Institutions Banking is responsible for managing and developing specialized banking products and services for financial institutions, public financial institutions, securities companies. FI Banking also builds and implements business plan on FX trading, treasury, securities and financial derivatives, interbank trading, government bond trading, etc. FI Banking is MSB's representative to establish, retain and reinforce relationships with local and foreign financial institutions to support business growth of Retail Banking, Corporate Banking and lead the bank to access ESG funding and technical resources.

2022 was a successful year to FI as its income contributed substantially to total operating income. Also, the recognition from local and foreign organizations through multiple prestigious awards once again affirms FI's standing and MSB in general. FI delivered outstanding results across multiple business activities:

Foreign exchange trading

FX trading market saw much volatility in exchange rates in 2022, even liquidity shortages at several times. Aligned with the FX management policy of the State Bank of Vietnam, MSB strived to grow FX trading volume, maintained its top 3 position in the market and also market maker.

Following the development of a standard reference yield curve for professional swap trading, MSB maintained its market maker role in the swap market among 16 banks participating in the trading room of VBMA (Vietnam Bond Market Association). MSB was also a market maker in the interest rate derivatives market with IRS (Interest Rate Swap) and CCS (Cross-currency Swap) in 2022.

Leading in digital transformation to improve customer experience in banking industry, 2022 was the fourth year in a row that MSB was awarded the bank with the largest FX trading turnover on FX Matching platform and the most active bank. MSB made every effort to become a dynamic pioneer in technology adoption

to enhance operational efficiency in line with the direction towards a transparent and modern FX trading market.

The turnover of interbank foreign banknote exchange continuously broke its record from 2019 to 2021 with an average annual growth rate of over 25%. The turnover of import and export foreign currency banknotes increased by 3 times in 2021 compared to 2020. In 2022, despite the challenges posed from FED interest rate hikes, leading to increased cost of funds, the turnover of interbank foreign banknote exchange and import and export foreign currency banknotes was still approximately on par with its in 2021. This helped MSB continue to be one of a few most active banks in providing foreign banknote services in Vietnam, supporting local banks and branches of foreign banks in Vietnam to sustain liquidity.

In 2022, MSB achieved outstanding results in providing FX trading and international money transfer services as its trading volume accounted for a considerable share in banking industry (top 10 banks with the largest FX trading volume to customers in Vietnam). Its profits increased by more than 153% compared to 2021. At the same time, MSB delivered a record in term of trading volume for currency and derivatives of more than 113 million USD per single transaction. FX trading with individual customers posted an impressive growth in both trading volume and profit by 171% and 228% respectively against 2021. Backed by a team of knowledgeable and committed salesforce, MSB has been increasingly recognized by leading companies and corporations in Vietnam for its professionalism, liquidity and quality of FX transaction. Offering superior benefits such as diverse product mix, fast transaction turnaround time, and convenient methods, MSB is a reliable partner for individual customers wishing to trade foreign currencies. Simultaneously, MSB supports customers by offering promotion programs, new and competitive new products to help enterprises and individuals optimize costs, while making fast, convenient, and secure FX transactions as well as international payments.

Liquidity management and money market

Amid a relatively complicated market situation in 2022, MSB's interbank money strategy was adapted to align with financial market movements and the plan from time to time. As a result, MSB delivered quite remarkable results in which interbank currency trading volume recorded a growth rate of 141% compared to

2021. MSB was considered as one of the major and active partners in the interbank money market.

In addition, liquidity management and MM (money market) trading were always closely associated and correlated to ensure sound and highly efficient performance.

MSB also focused on liquidity management to optimize liquidity capability, treasury, cost of funds, while beefing up liquidity reserves in such a volatile period in 2022. On top of strict compliance with liquidity ratios set forth by Circular 22/2019/TT-NHNN of the SBV, MSB also built internal liquidity indicators with strict requirements to ensure the best solvency in adverse situations. The bank also diversified funding sources, especially medium and long-term ones from international market to support liquidity and reinforce MSB's position in the market.

Government bond trading

In 2022, when global market fluctuated, government bond yield was hit by several interbank interest rate hikes, causing considerable damages to bond portfolio of most of investors. On the other hand, MSB managed to sail through the headwind. MSB's sensitivity to market movements helped the bank timely downsize bond portfolio in the first 6 months of 2022 when government bond yields remained low. As a result, MSB successfully secured the profits from the valuable paper trading, which contributed substantially to the bank's overall profits.

MSB continued to leverage its position as one of the most dynamic and active banks in the government bond market with total trading turnover in 2022 accounting for 10.33% of total market share. Extending the list of awards that the bank received over the years, MSB continued to earn the recognition of regulators on government bond trading as follows:

- **Rated by the Ministry of Finance**
 - Top 1 market makers in banking debt instruments in 2022
 - Top 3 market makers in debt instruments in 2022

- **Rated by Hanoi Stock Exchange**
 - Top 1 bond trading member in 2022
 - Top 1 proprietary trading member in 2022
 - Top 1 outright trading member in 2022
 - Top 3 repo trading member in 2022

- **Rewarded by Vietnam Bond Market Association**
 - Market maker offering best repo rate in 2022
 - 2nd position for market maker offering best outright rate in 2022
 - Market maker having second largest outright volume in 2022

Valuable paper issuance and investment in valuable papers issued by credit institutions

The volume of valuable papers issued by other credit institutions held by MSB reached more than VND 12,000 billion as of December 31, 2022. It helped MSB not only increase profit but also promote its role as an active member in valuable paper market.

As part of valuable paper issuance activities, MSB issued many bonds and certificates of deposit up to three-year term to help the bank improve its prudential indicators as well as mobilize medium and long-term capital at optimal costs.

On top of business activities, MSB actively contributed ideas to the regulatory authorities to complete the legal framework for a transparent and efficient bond market in Vietnam.

Striving towards continuous improvement and innovation, MSB made every effort to create and develop more superb bond products and provide customers with a diverse product ecosystem such as bond-linked deposits, depository services, custodian banking, fund management, etc.

These products and services performed properly in 2022, not only generating stable and growing fee income each year but also increasing opportunities to acquire new customers and cross-selling existing MSB's products.

Reinforced and expanded financial institutions customer base

Compliance with prudential standards and indicators is always a top priority of MSB in the operations. Therefore, MSB is always highly valued for its prestige and efficiency from domestic and foreign organizations. As of December 31, 2022, the number of MSB's agent banks exceeded 500 banks in nearly 70 countries around the world. Total trade finance limit granted was more than USD 500 million (converted).

With an extensive network of agent banks and abundant trade finance limits, MSB timely and effectively met diverse needs of customers in international payment, trade finance, currency exchange, and derivative trading, etc.



Thanks to its reputation in domestic and foreign markets, MSB successfully signed four medium and long-term loan agreements with major foreign entities either in the form of co-financing or bilateral agreement to inject more capital to business activities and promote credit financing for SME, green loan, etc. Especially in 2022, MSB cooperated with international entities such as Proparco, USAID (through strategic partners) who provided technical support to the bank in documentation and implementation of environmental and social management system (ESMS) in order to meet the highest international standards and in accordance with Vietnam's regulations. MSB will coordinate with ADB to get technical support on the evaluation of ESMS in trade finance, thereby identifying eligible transactions for the financing of ADB and other financial institutions focusing on sustainable development and environmental protection. Aiming at sustainable development and long-term value for the economy and community, MSB's partnership with large organizations in environmental and social management was a remarkable milestone over the history of the bank.

Regarding insurance and securities company segment, MSB focused on improving quality, enhancing digitization, developing and adding features to the suite of products and services including centralized account services and cash flow management,

domestic and international payment services, collection and payment services, etc. Deposits, foreign exchange, interest rate derivatives (IRS, AIRS) and cross currency swap (CCS), loan, overdraft, guarantees, credit commitments, etc. were accessible with simple and convenient process to timely meet customer needs. Therefore, MSB has been trusted and chosen by leading securities and insurance companies as the main banking service provider and business partner in the long-term development strategy.

Regarding public financial institution segment, trusted by the SBV, the Ministry of Finance and other ministries and departments, MSB participated in ODA projects of the Ministry of Health, Ministry of Education & Training, Ministry of Agriculture and Rural Development, Ministry of Science and Technology, etc. The bank also supported various projects in many fields such as transportation, healthcare, education, agriculture, environment, etc. nationwide such as Da Nang - Quang Ngai, Ben Luc - Long Thanh expressway projects; personnel education and training for the reform of healthcare system; environmental and urban infrastructure development to respond to climate change in Dong Hoi (Quang Binh) and Hoi An (Quang Nam), etc. MSB is also one of the first joint stock commercial banks to cooperate

with the State Treasury to boost technology adoption into state budget collection and payment, particularly the implementation of state budget collection service on many channels and through bilateral e-payment services. It helped retail and corporate customers pay taxes and fees quickly and accurately in just a few minutes. Besides, MSB cooperated with many large hospitals and schools such as Viet Duc Hospital, Medical University, etc. in modernisation process of fee collection and payment, offering multiple payment methods to patients and students.

Non-life insurance agency

MSB started to perform Insurance Agency service upon SBV's approval on the business license of "Insurance Agent Service (dated December 6, 2010) according to Decision No. 2919/QĐ-NHNN dated December 6, 2010 of the State Bank of Vietnam".

Particularly, non-life insurance agency has been focused and developed by MSB since 2017 with the main goal of controlling risks in loan provision activities. MSB developed, issued, implemented, and standardized policies on credit risk insurance in

order to insure the bank at most against potential losses to the collateral secured at MSB as well as the risk to the lives of borrowers/business owners who got loans from MSB.

In addition, MSB promoted independent non-life insurance cross-sales to offer diverse products and maximize customers' benefits, helping them protect themselves from financial losses and other risks in their life.

Therefore, non-life insurance business under credit risk controlling has been growing strongly. Particularly, in 2022, sales in this segment grew by 170% compared to 2021 and profit increased by 206%, reflecting efficient business in line with credit risk management policies of MSB based on the agreement with customers that their assets and liabilities to MSB should be insured against any risk. It also helped the bank improve significantly prudential indicators in credit facilities, reduce non-performing loan ratio, and secure loan recovery thanks to a quick claim and settlement process with insurance companies.

RISK MANAGEMENT



Risk governance framework and risk appetite

An advanced risk governance framework should always be maintained and enhanced. Accordingly, with the consulting advice of the Risk Management Committee, the Board of Directors effectively exercised high-level supervision, promptly got informed and gave directives on bank-wide risk management. At the executive level, the CEO was provided with sound advice of the Risk Management Council, ALCO, and other councils in implementing risk management activities directed by the BOD. Risk Management Division duly performed its role as the second line of defense, issued risk policies, applied risk measurement, monitoring and reporting, triggered prompt warning to the CEO and the BOD if potential risks may impact the operations and business targets.

Following international practices, MSB issued a risk appetite statement in 2022 which defines clearly the level and types of risk of which MSB is tolerant or intolerant to achieve its goals from both qualitative and quantitative perspectives. By early 2023, the BOD approved the revised risk appetite statement relevant to the market practice and business strategy during the period of 2023-2027.

In 2022, MSB developed a digital risk management strategy by implementation of framework principles and risk identification mechanism. MSB will continue to follow this strategy in 2023 to flexibly adapt to the intensified digitization in financial products and services.

In the preparation for the next step in green bank development, MSB issued an internal regulation on environmental and social (E&S) risk management in credit facilities and is continuing to improve the environmental and social risk management system to ensure compliance with Circular 17/2022/TT-NHHH and international standards. MSB is going to integrate E&S risk assessment into credit risk assessment under the consulting and training support from international organizations.

Enterprise risk management

In 2022, Enterprise Risk Management delivered key functions such as reviewing and improving risk management framework, risk management policies (including risk appetite and risk management strategy, etc.), monitoring and analyzing risk portfolio on a regular basis; facilitating the proper implementation of the Internal Capital Adequacy Assessment Process (ICAAP), enhancing the measurement

of counterparty risk following SA-CCR approach under Basel II standards, continuing to implement advanced approach to credit risk measurement under Basel II standards and standardized approach to operational risk, market risk and liquidity risk measurement under Basel III standards. In 2023, the measurement approach to credit risk in ICAAP will be further improved in accordance with Basel III standards.

Since 2021, MSB has continuously assessed, measured, managed and monitored Return on risk-weighted assets (RORWA) and TOIRWA against targets with a breakdown by customer segment, business banking and each large-medium corporate customer (LMC) to measure risk-adjusted business performance.

The development and enhancement of risk measurement tools and models (Probability of default - PD, Loss in default - LGD, Exposure at default - EAD) remained key focus in 2022, contributing to the digitization of credit products now and in the future, while improving the accuracy of risk level measurement and provision calculation for financial instruments upon the completion of IFRS9 at the end of 2022 and their adoption of international standards into financial statements.

MSB built a model risk management framework and introduced model validation unit independently with model development unit. Model validation is the second line of defense which facilitates the effective implementation and adoption of models into risk management in line with the goal of model-based decision-making and model integration into digitalized credit journey.

Towards the goal of sustainable and long-term development, in October 2022, MSB worked with the United States Agency for International Development (USAID) through some strategic partners to access to expert consultation and support in the documentation and implementation of environmental and social risk management system in credit facilities (including policies, processes and tools). USAID consulting program is expected to last until the end of March 2023.

Upon receiving all deliverables from USAID consulting program, MSB will finalize and submit the Regulation framework on environmental and social risk management (issued by the Board of Directors) and Regulation on environmental and social risk management (issued by the Chief Executive Officer) to implement and regulate environmental and social risk management

for credit facilities in accordance with Circular 17 of the SBV and requirements of foreign partners and investors such as Proparco. MSB will also conduct training on this field for employees associated with credit facilities and carry out monitoring and reporting thereby.

Credit risk management

In 2022, the bank focused on handling credit risks due to the impact of the Covid-19 and market volatility, and other side, MSB has been implementing initiatives to improve credit risk management capabilities, especially on digital journey. Notably, the project of digitizing and systemizing credit process for retail and SME customers aims at a robust end-to-end credit management model including screening, customer scoring, identifying potential fraud, income model, behavioral model, early warning model; streamlined processes and policies; developing and implementing systematic credit process on a single platform (BPM risk), automatic credit approval process (Straight Through Process - STP); applying AI, liveliness, logical rules, etc. to control frauds of credit facilities on digital journey.

Given the aforementioned initiatives particularly for retail and SME customers, MSB expects to take a big leap in approval automation and shorter turnaround time, providing customers with good experience while meeting risk management standards.

MSB is also concerned about environmental risks in credit facilities. Extending credit facilities in “green” projects and “green” fields will continue to be a priority of MSB in 2023.

Market and liquidity risk management

In 2022, MSB will continue to maintain market and liquidity risk management framework under joint supervision of senior management at all levels (Board of Directors, Chief Executive Officer, and advisory Committees). There are 3 lines of defense, in which risk management at line 1 will be carried out by both balance sheet management (BSM) and asset liability management (ALM) functions supported by advanced risk management process in accordance with local and international standards, particularly:

- Applying standardized approach (SA) capital requirement and internal models approach (IMA) under Basel III to carry out stress test and Internal Capital Adequacy Assessment Process (ICAAP) on market risk to trading book, which is the base to adjust limit system and business behaviors;

- Using short-term liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) under Basel III standards on liquidity risk as a guideline for the bank to implement the plan on highly liquid asset reserves and adjust asset and funding liquidity risk profile in order to fully meet tight liquidity risk requirements.

- During the fourth quarter of 2022, when market liquidity experienced unusual volatility, MSB promptly deployed and implemented risk management strategy under adverse market conditions by (1) forecasting and quantifying market and liquidity risks under different scenarios; (2) closely monitoring market movements to take proper risk prevention and early provisioning in a timely manner.

In 2023, MSB continues to study and apply Expected Shortfall (ES) - an advanced approach under Basel III standards - to the management of market risk in the trading book and Economic Value of Equity (EVE) approach under 6 risk scenarios according to Basel II standards to the management of interest rate risk in the banking book. MSB will maintain prudential liquidity risk management aligned with business plan (on asset and capital growth) on a monthly basis and develop early forecast for the next 3 months in order to improve the quality and effectiveness of market and liquidity risk management amid complications expected in 2023.

Operational risk management and information security

MSB is pioneer in implementing the measurement and calculation of operational risk capital requirement under Basel III/IV and developing capital requirement plan and operational risk limits.

In 2022, MSB deployed alternative offices and backup data centers according to international standards in the response to Covid-19 and emergencies; maintaining quality operational risk loss data with a historical observation period of more than 11 years; deployed operational risk management software and updated it every 2 years; implemented holistic management, measurement and monitoring of information security; deployed 3D Secure 2.0 as a secure payment authentication method.

In 2023, MSB will revise its fraud prevention policies, improve fraud scoring model, enhance its fraud detection rules, reinforce authentication with third parties via API to prevent fraud on digital platforms, strengthen information security for digital transformation (including cloud computing security, big data security), carry out rehearsal at alternative offices, and conduct testing on backup systems for key modules.



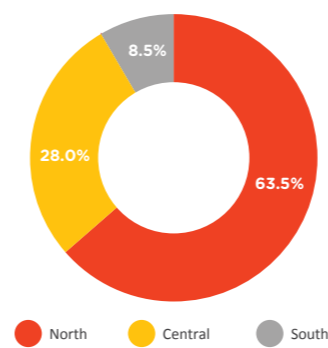
PEOPLE AND ORGANIZATION



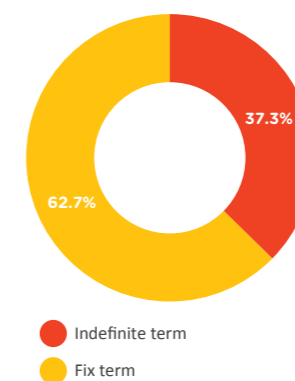
Personnel information

Personnel structure

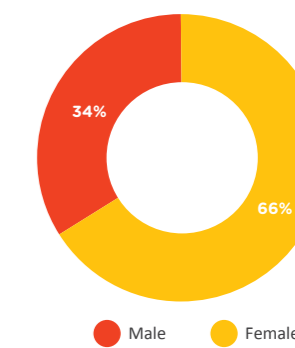
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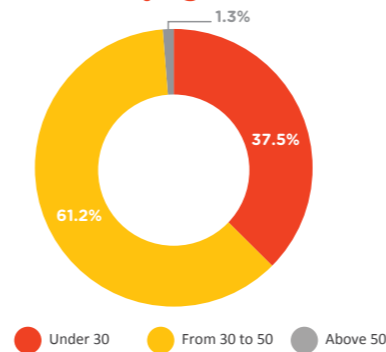
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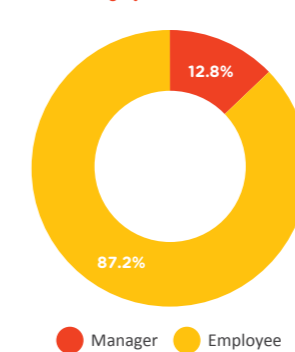
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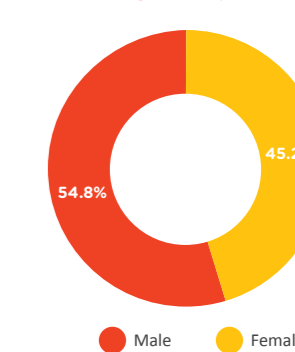
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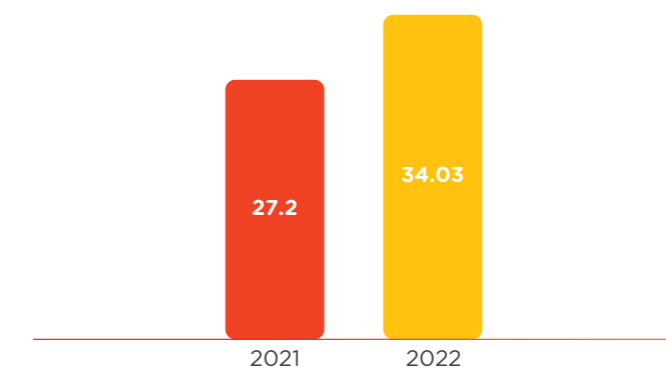


Breakdown by gender of managerial positions:



Average income

Average income of MSB's personnel in 2021 and 2022 (unit: VND million)



Human resource management

Employer branding development

“Choose MSB – Choose to rise above”

Believing that every individual has the potential to grow at any stage, MSB not only recruits, trains and develops talents but also provides them with opportunities to enjoy a professional, committed and happy workplace - where “everyone wants to join and no one wants to leave”. Reaffirming its position as a prestigious employer in the labor market, in 2022, MSB earned the award "Best Place to Work in Asia" by HR Asia two years in a row. MSB also carried out:

- Fair hiring policy to ensure the interests of employees: Set up an interview committee consisting of highly qualified personnel who give objective assessment and offer employees with the best competency-based remuneration.
- High-tech yet welcoming and sharing corporate culture, attending to employees' well-being: bond with managers, self-service provided on Human Resources Information System (HRIS), periodical health checks, available medical clinic at the Head Office, etc.
- Promoted penetration and outreach to the community: activities on social networking platforms, partnership with leading universities in key areas such as National Economics University, Banking Academy, Da Lat University, Ho Chi Minh City University of Economics, An Giang University, Long An University, etc.
- Partnership with the world's leading consulting firms including McKinsey, Boston Consulting Group (BCG) and Temenos.

Talent acquisition

MSB is one of the first banks to apply Recruitment Marketing model into hiring activities to attract and nurture potential talents and then encourage them to apply to the bank. This model consists of all the principles of modern marketing such as omnichannel communication, data analysis and automation to enhance employer branding and promote Employee Value Proposition (EVP).

Specifically, recruitment programs are tailored for each candidate group, helping MSB to optimize touch points and provide a different and proper experience for each group. Some outstanding recruitment programs include:

- **“MSB D-Innovation – where digital talents rise”**
This is the biggest recruitment program on Information Technology and Computer Science of MSB. It first launched in September 2021 (D-Innovation 01), followed by D-Innovation 02 in March 2022 and D-Innovation 03 in September 2022. In this program, there were more than 1,000 engineering candidates in which 111 met the requirements of employer, mostly Developers, Testers & UI/UX Engineers.
- **“MSB Passport to Career”, “MSB Paring Master”, “MSB Break the Limit”**
This cluster of recruitment programs were designed to acquire experienced salesforce for Retail Banking and Corporate Banking. The result was positive with nearly 3,000 applicants, among which 213 were hired in 2022.

Based on the research and understanding about expectation on self-growth and career promotion of employees, MSB does not simply give candidates a job descriptions but also in-depth information on product features, competitive advantages of the bank's product line, the direction and vision of each business banking, specific information about remuneration and benefits, and discussion with MSB's experts.
- **“Gen Z Banker – Create your leverage – Show your charm”**
We offer opportunities based on competency and quality so that anyone has a chance to join MSB regardless of age, background or experience level. That is why we specially designed a recruitment program called "Gen Z Banker - Create your leverage - Show your charm" targeting at entry level segment with little or no experience in banking to build a salesforce pool for Retail Banking.

The program was deployed in 14 cities and attracted nearly 2,000 applicants out of which 220 were eligible to join both class training and training on job.

In addition, stock option program was also a practical remuneration policy to enhance employee dedication and commitment to the bank. In both 2021 and 2022, MSB issued ESOP (Employee Stock Option Plan) for high performers whose tenure at the bank was at least 3 years. This program was very well-received by the employees.

Other activities

Optimize recruitment with the leverage of technology and internal resources

- **Digitize recruitment process:**
MSB built and designed specialized software modules to standardize the recruitment process from recruitment planning, job posting, application process, interview, hiring result announcement, etc. and optimize and manage resources (job post channels); hence customizing effectively to each candidate segment.
- **Increase talent pool through referral scheme:**
We consider each employee as a recruitment ambassador and an extension arm to help find and acquire talents. Therefore, MSB improved internal referral policies and process, and developed separate referral scheme for each segment to better encourage employees to refer potential and quality leads.

In 2022, 1,132 candidates were referred with nearly 200 employees got referral bonus. Particularly, more than 300 applications in technology were acquired via referral in which more than 60 engineers were hired.

Maintain Covid support policies for employees

Facing the complications of Covid-19 in early 2022, MSB continued to implement the support policy for employees affected by the pandemic, including those under treatment at medical facilities for more than 21 days, those under treatment at medical facilities for less than 21 days, and also those under treatment at home. The "3-on-the-spot" support policy for employees who stay and work in the office was maintained and continuously evaluated and revised in line with the pandemic developments.

In addition, the bank supported employees who are eligible tenants with documents and procedures to claim allowance from the Government according to Decision 08/2022/ QD-TTg dated March 28, 2022 for maximum 3 months.



TOI-based and incentive-based salary scheme, salary increment and digitized 1-1 performance appraisal

In 2022, the bank studied and developed a TOI-based (Total operating income) salary scheme for Retail Banking at flagship branches and 30 major transaction points to boost growth at high-performing units. Besides, MSB implemented and issued an incentive scheme for (1) – Debt collection and Bancassurance team under Insurance Center (Retail Banking) after transforming to direct sales model and (2) - project team Lean Governance for Risk Management Division and Operations Division.

Plus, the bank continued to revise regional minimum pay from July 1, 2022 in accordance with the law and implemented periodic salary increment in 2022. In addition, we also took the first step in digitizing one-on-one performance appraisal process conducted between line managers and employees.

“School day” benefit

2022 marked the first time MSB implemented and issued "school day" benefit for employees whose children first went to elementary school. Employees could take half a day off to join their children on first school day.

Strong investment on competency development programs

- Competency development programs were aggressively launched, including 6 training programs for 1,153 leaders/managers.
- Training methods and trainer quality were diversified and continuously improved to suit different learners (basic/advanced, online/offline). Rating scores of training courses increased markedly, from 4.3 to 4.6.
- Average training hours per year: 39.68 hours for managers, 20.18 hours for employees.

Groups	Training contents
<p>Leadership: 2 courses (M.Leader & RB Leader)</p> <ul style="list-style-type: none"> • Participants: 324 • M. Leader average rating: 4.6/5 • RB Leader average rating: 4.6/5 	<p>Training course for MSB Leadership</p> <ul style="list-style-type: none"> • Agile for Manager • Breakthrough leadership • Digitization mindset • Design Thinking <p>Training course for Retail Banking leadership</p> <ul style="list-style-type: none"> • Digitization mindset • Business planning • Creativity and innovation • Networking and effective communication
<p>Managers: 4 courses</p> <ul style="list-style-type: none"> • Participants: 634 • Average rating: 4.65/5 	<p>Training course for middle managers</p> <ul style="list-style-type: none"> • Agile for Manager • Breakthrough leadership • Digitization mindset • Design Thinking <p>Training course for Business Banking/Division managers</p> <ul style="list-style-type: none"> • Retail Banking: BM Bootcamp, BM Planning, People management • Corporate Banking: EB Hub Head Planning, Lead Ahead • Risk Management: People management
<p>Talent pool: 4 modules</p> <ul style="list-style-type: none"> • Participants: 113 • Average rating: 4.7/5 	<ul style="list-style-type: none"> • Agile me • Coaching & Mentoring • Design Thinking • Graduation ceremony – Return on Investment project

Corporate culture

With the mission "For a more convenient life" and the vision to become "The bank everyone wants to join and no one wants to leave", MSB aims to provide the most convenient and feature-rich products and services to customers, become a "second home" with a friendly and professional working environment for employees, and bring the greatest value to shareholders and investors. MSB will also be a reliable partner in serving the community through philanthropic and humanitarian activities.

MSB aspires to build a strong corporate culture focusing on core values of Responsibility - Listening - Respect - Innovation - Efficiency.

In the strategic period of 2018 - 2022, MSB made some transformative leaps from business direction to management and operations under steady digitization. In the coming years, MSB will also develop a digital culture to be leaner in its activities in which competency training, improved experience and increased engagement of employees will be the success factors.

Accordingly, MSB also needs to develop a strong corporate culture to leverage its efficient and sustainable growth. MSB needs to find out proper motto, methodology and tools to cultivate the culture and sustain it as a strong identity for the bank in the long run.

Positive changes and strategic foundation of MSB gave way to cultural development activities. Most of senior and key personnel are confident, committed and ready to change and empower. Given the fact that a strong digital transformation can pose challenges to corporate culture and mindset, MSB needs to assign a dedicated team with specific tasks on corporate culture to promote innovation, adaptability and transformation mindset among the organization.

On November 22, 2022, the Chairman of the Board of Directors signed the decision to establish the Corporate Culture Department, a dedicated unit in charge of implementing and developing corporate culture at MSB. The Department is tasked with building a sustainable corporate culture foundation with its own identity to create a difference and competitive advantage for the bank.

Aligned with MSB’s strategy for the period of 2023 - 2027, Corporate Culture Department will develop a humanitarian and sustainable corporate culture. As a result, it will help support digital transformation strategy; improve employee experience, inspire to develop a talented, visionary, aspiring team who take ownership of MSB’s development strategy; and elevate employer brand.

The development roadmap consists of 2 phases:

Phase 1 (2023 - 2024)

Creating the foundation of corporate culture; Building corporate culture strategy aligned with MSB’s cultural standards to promote team performance and operational efficiency; creating new standards of operations and behavior in the banking industry in Vietnam; having Cultural Ambassadors to guide and lead proper behaviors at the bank; applying proper behaviors and mindset consistently among the organization; building recruitment, development, and promotion strategies based on these standards; establishing a documentation, planning, deployment and rating system on such standards across all employees.

Phase 2 (2025 - 2027)

Targeting to promote and spread refined and lean corporate culture; streamlining cultural standards based on pilot results across the bank; strongly promoting corporate culture activities to meet strategic priorities; developing a roadmap to support and onboard Cultural Ambassadors; ensuring sufficient resources on demand; reviewing recruitment, development and promotion activities to ensure according to cultural standards; assessing the level of awareness of employees about the bank’s culture after it is developed and spread in the previous phase; creating a basis for a proper corporate culture strategy in the following years.

Project implementation progress

In 2022, MSB implemented many strategic projects under a budget up to millions of dollars, such as:

Sales Transformation is a project on the initiatives to improve front-line capacity covering sales model; sales process and plan; AI application management; transaction channel shift; top-of-the-market sales capabilities, etc.

Enterprise Architecture Transformation - EA is a project to address the three core challenges of large-scale digital transformation to ensure the alignment of IT roadmap with overall business strategy. At the same time, the project also supported the innovation of strategic systems (e-banking, customer relationship management - CRM sales). EA Transformation was completed in 2022.

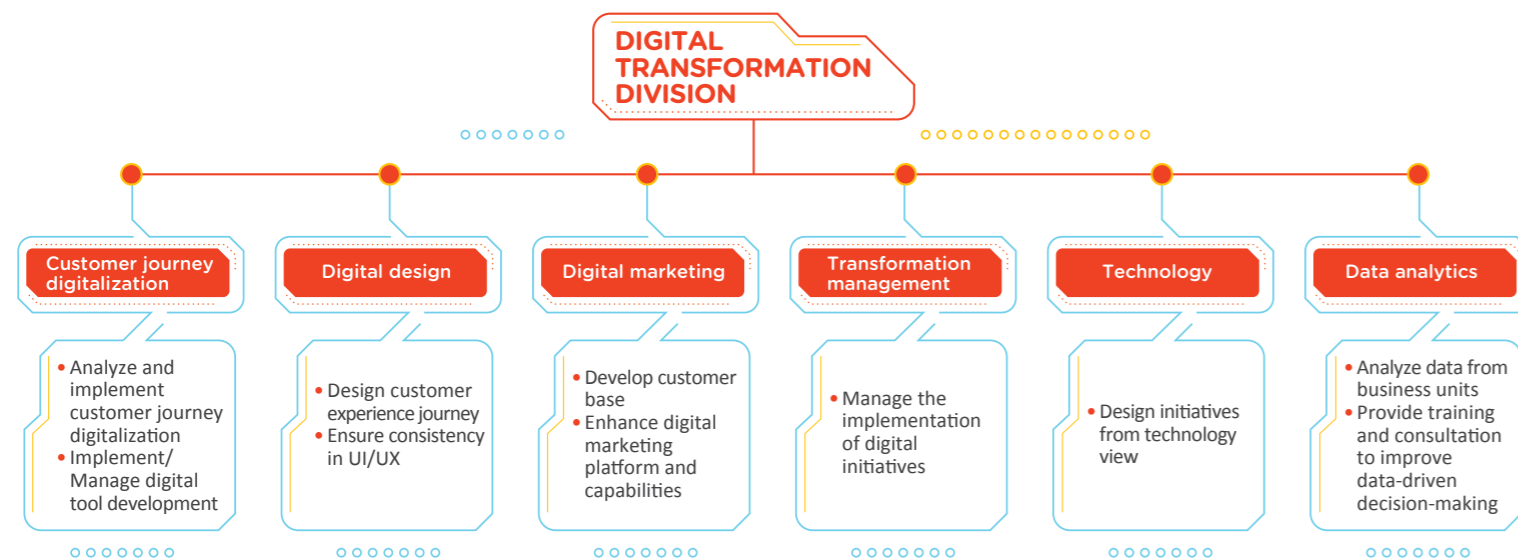
Digital Factory

Digital Factory (DF) was built with the ambition to lead the transformation of traditional processes into the customer journey to redesign a seamless and lean process; thereby shifting manual and paper work into a fully digitalized process, hence bringing the most convenient experience to users and making "digital transformation" gradually the DNA of the bank.

Besides, DF was also the "brain" of "Agile@scale" model at MSB. This model allowed MSB to continuously build - adjust - test new products and shorten the time to promote to market. In other words, MSB's solution is created from the needs and experience of customers instead of simply meeting "common demand" of the market.

DF project was a serious investment of MSB in the digital transformation journey with a budget of up to VND 2,000 billion. DF officially changed its name to Digital Transformation Division from September 2021 based on the advice of the world's leading consulting partner BCG. In addition to supporting the development of underlying elements such as organizational structure, digital transformation capabilities, and Agile governance framework, BCG also directly engaged in the deployment of key solution groups along with DF while constantly updating market movements, building an adaptive digital transformation strategy, and ensuring that MSB follows closely to the digital transformation plan.

Organizational structure of Digital Transformation Division:



After more than one year, Digital Transformation Division (DF) recorded many outstanding and transformative results in the finance - banking industry.

Regarding products and services, by the end of 2022, Digital Transformation Division successfully launched 8 customer journeys in which card, unsecured loan and semi-independent non-life insurance were all 100% digitized. Instead of intensive paper work procedures and manual operations, MSB's customers could experience a completely online and highly automated process. All steps from application, approval, underwriting to disbursement or issuance could be carried out on digital platform through an electronic device connected to the internet. On the other hand, the successful digitization of processes and procedures also significantly improved product and service processing from a few days or weeks to just a few hours, even minutes.

In terms of business performance, digitizing customer journey increased the engagement of retail customer to 53% and corporate customers to 49%. TOI of Digital Transformation Division reached 116% of the plan in 2022. Thanks to significant improvements in turnaround time (TAT), first time rate (FTR) or digitization rate of CJ, etc. the bank begun to save operating costs and recorded a better CIR ratio.

Regarding internal operations, Digital Transformation Division set up two professional units for digital business activities: Digital Marketing Department and Digital Design, which are expected to improve the efficiency of business units and projects in the upcoming years, while continuously improving and innovating marketing activities amidst a more and more competitive market.

In terms of governance, Digital Transformation Division governance policy follows "Agile" approach which has been constantly improved from time to time. Accordingly, Transformation Management Office (TMO) is the most important factor in building and implementing Agile-based project management. The reporting between Digital Transformation Division and the leadership as well as the synergy between DF and other divisions/units at MSB were implemented consistently, smoothly and regularly to timely support the projects.

Digital Transformation Division also adopted and deployed Agile as a leverage for business upscale. In fact, Agile model allowed MSB to continuously build - adjust - test new products and shorten the time to market, thereby directly governing the working style and mindset of employees and improving their availability and flexibility under any conditions.

Typically, Digital Transformation Division was the pioneer in applying data-driven decision-making in all digital development activities. In addition, core project governance framework was also institutionalized and closely monitored to ensure project performance, mitigate risk and optimize cost and resources.

Digital Transformation Division targets 60% retail customers and 40% corporate customers acquired from digital channels, 80% transaction volume on digital channels and the amount of paper work reduced by 70% by 2027. Meanwhile, the Division prioritized bank-wide application of Agile model to transform aggressively in "quality" and soon "reach" its ambition to become the best banking service provider on digital platforms.

Application of IFRS for financial statements

Currently, many banks target to apply International Financial Reporting Standard (IFRS) and Basel 3 risk management standards. IFRS 9 was issued on July 24, 2014 and took effective for fiscal years starting and after January 1, 2018. It is an important change in the preparation and presentation of financial statements. IFRS 9 introduces Expected Credit Loss (ECL) model, which applies to all financial instruments related to credit risk. With IFRS 9, banks will have to make provision for future losses, against the current practice of provisioning for incurred losses. The application of IFRS 9 will enable Vietnamese banks to better manage risks in line with international best practices, increase comparability, improve the quality of information disclosures, thereby giving way to integration into the international capital market.

On March 16, 2020, the Minister of Finance issued Decision No. 345/QĐ-BTC approving the Scheme on application of international financial reporting standards (IFRS) in Vietnam. The roadmap consists of 3 phases: preparation from 2020 to the end of 2021, voluntary application from 2022 to the end of 2025, and mandatory application after 2025. Realizing the importance of IFRS 9 application, MSB established IFRS Project Team since October 2021, with the goal of:

- Training personnel on IFRS requirements, gap analysis on VAS and needed models to implement IFRS and modeling methodology.
- Analyzing the current situation and analyzing IFRS gap across system and process, policies, data, models, accounting, financial statements, etc., and issuing detailed roadmap for IFRS implementation.

- Developing accounting policies, tools and processes to ensure compliance with IFRS; developing IFRS-based financial statements.
- Preparing initial financial statements and updating current accounting policies in accordance with with IFRS requirements.
- Auditing financial statements prepared by MSB and validating the models built in the project.

As of December 2022, MSB completed all the items of IFRS Project including the development and issuance of: (1) Expected Credit Loss (ECL) model under IFRS 9; (2) accounting policies in accordance with IFRS; (3) IFRS report preparation guidelines; (4) Procedure to issue IFRS report. MSB also completed the first IFRS report for the year ended 31 December 2021, which will be audited by Ernst & Young Vietnam Co., Ltd.

In 2023 and beyond, MSB will continue to improve its operations in line with market practices, meet the requirements for preparing IFRS report and periodically prepare and audit IFRS report.

Core Banking and other technology projects

Launched in April 2021, core banking project is one of the key technology projects with a budget of VND 500 billion. This is considered the

"backbone" for digital transformation strategy, helping MSB not only take solid steps among the global digital transformation but also create a breakthrough in the upcoming years.

In 2022, business and technical requirement documents were completed in the analysis phase. Design documents are being finalized. At the same time, customization and testing are also being closely coordinated by MSB and the vendor to ensure the quality and progress of the project. It is expected that by September 2023, the new system will officially go live.

Towards the goal of digitization, MSB accelerated digital transformation across 3 platforms of Governance, Security, Openness and increased collaboration, and 3 main pillars: Create foundation and digitalize customer journey, Infrastructure services, Data services. Some of the projects implemented in 2022 are:

- **Governance enhancement**

From the beginning of 2022, MSB implemented Enterprise Architect project under the advice of McKinsey. The project focuses on developing architectural framework and technology capability according to international standards and completed in May 2022. Simultaneously, MSB actively built an in-house architecture process and model (BAR), meeting standards according to McKinsey (August 2022) to help save costs for the bank.

Security: MSB continuously improved information security capability through implementing DLP (Data Loss Prevention), building Security Operation Center (SOC), developing and providing DevSecOps services to automate information review.

Openness and increased collaboration: MSB carried out training on agile Agile/Scrum for all key personnel and get teams working under new approach.

- **Customer journey development and digitization**

MSB implemented Business Process Management project which digitalized credit process to optimize resources at credit department and improve the productivity of employees involved in customer journey at MSB. Besides, CAS (Customer Analysis and Selection System)/CSS (Credit Scoring System) project were introduced in order to improve customer credit scoring and rating by batch up to millions of customers. As the transaction volume grew, it was necessary to upgrade the ESB (Enterprise Service Bus); hence, and the upgrade project was launched to accelerate processing of doubled transaction volume.

- **Infrastructure services**

MSB deployed technology infrastructure upgrade projects to improve infrastructure, network, operation, monitoring and backup, including enhanced data storage and processing ready for infrastructure expansion; completed the development and application of monitoring standards for 5 key systems, etc.

- **Data services**

Completed IFRS Project: Building a financial reporting system according to international standards (IFRS 9).

Data Governance project phase 1: Building a data management platform and system to secure and optimize centralized data mining and facilitate timely business decision making.



MSB ENVIRONMENTAL AND SOCIAL IMPACT REPORT



Being a country heavily affected by climate change, Vietnam is facing many challenges in economic development along with environmental protection and sustainable development. As one of the important banks in the system, MSB is deeply aware of its social-economic influence and responsibility for supporting the Government to implement the Prime Minister's commitment on net zero emissions by 2050 at the COP26 Conference in 2021.

We are deeply aware that finance-banking has little direct effects on the environment but our financed projects and customers otherwise may cause direct and serious harm to the environment. Hence, MSB did and has been developing mechanism and tools to better our responsible lending such as implementing ESG (Environment, Social and Governance) risk management, completing ESMS (Environment and Social Management System), developing a roadmap and aligning our business strategy with the goal of reducing and removing high carbon emission sectors in our credit portfolio while extending finances to low carbon emission ones. Meanwhile, MSB duly complied with environmental regulations, held many internal events to raise awareness about efficient consumption of power and natural resources, and applied supervision and control on operational energy consumption and emission to mitigate any negative impacts on the environment.

In 2022, MSB developed a separate sustainable development report (SDR) for the first time. The report covers activities of 1 head office, 62 branches and 201 transaction offices across the country, and a subsidiary (FCCOM). 2022 was the first year that MSB gathered data on greenhouse gas (GHG) emissions from its operations. We applied the methodology of the Decree on GHG Emission Inventory and the Guidelines of the Intergovernmental Panel on Climate Change (IPCC) in accordance with the Guidelines on national GHG Inventory (2006). Based on GHG report, MSB will develop regulations on management of GHG emissions and continue to reduce GHG emissions, not only to mitigate the environmental impact but also mitigate volatility and reputational risk.

The SDR helps clarify MSB's direction and commitment to stakeholders. The preparation of the SDR helps us to proactively review and evaluate the activities carried out during the year across sustainable development aspects. During the implementation, MSB always communicated with stakeholders to identify concerns, thereby defining key issues that need to be reviewed and addressed. Through the SDR, MSB aims to be transparent about its economic, environmental and social impacts to

interested parties. It also helps the leadership of the bank to stay focused on sustainable development plan and ensure the balance of interests among stakeholders.

In the 2022 annual report, MSB briefly presents: sustainable development strategy, key topics in Sustainable Development, Sustainable Development Goals in 2023 and evaluation of MSB's economic, environmental and social activities in 2022. For more information on the Sustainable Development Report, please refer to the MSB Sustainable Development Report 2022 (separate report).

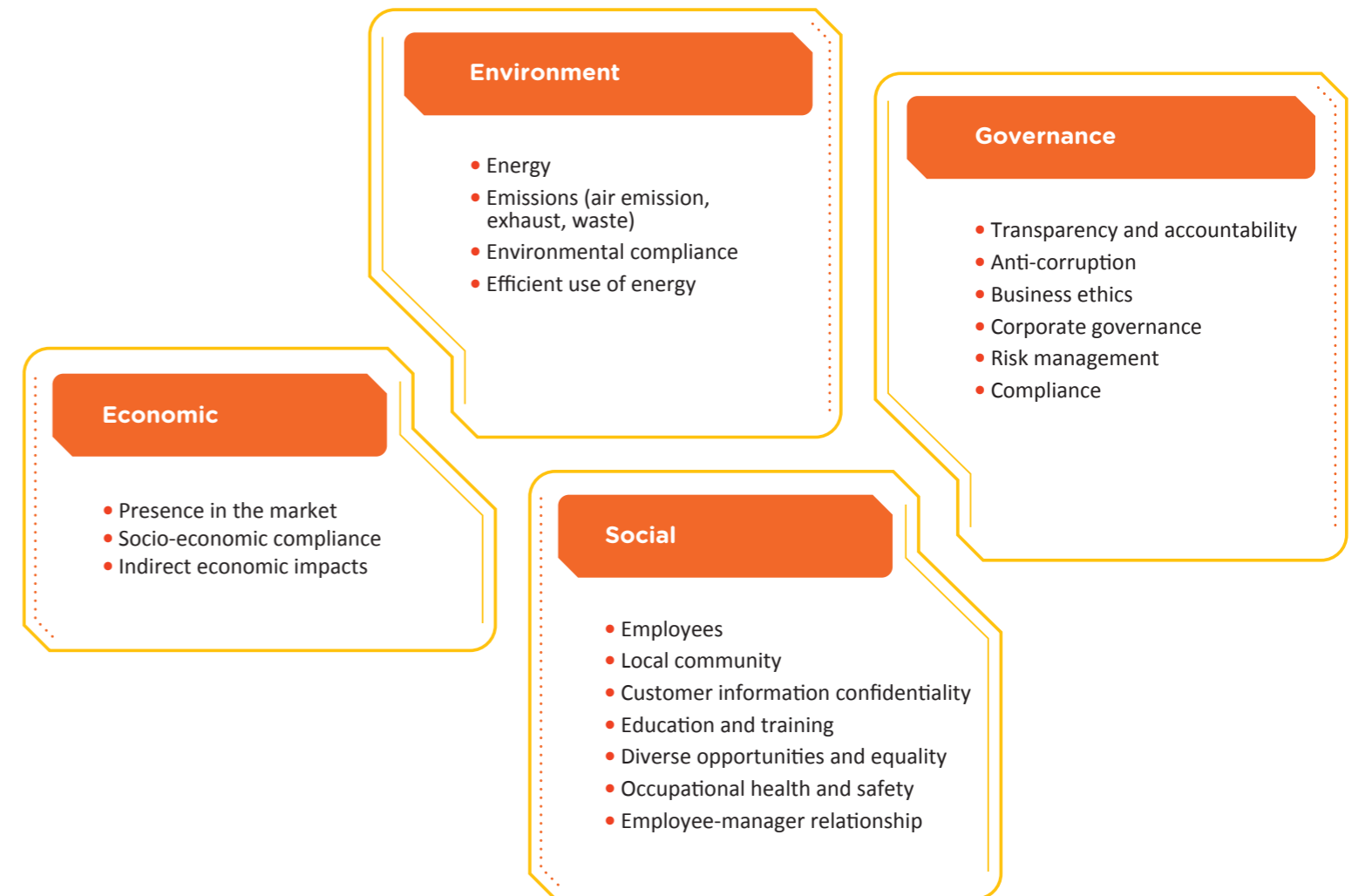


SUSTAINABLE DEVELOPMENT STRATEGY

MSB plans its development direction based on 17 sustainable development goals of the United Nations.

Field	Aspect	Sustainable Development Goals - SDGs
Economic	<ul style="list-style-type: none"> Take lead in developing customer-friendly, transparent and secure banking products and services for customers and investors. Promote profitable growth associated with sustainable development and the benefits of stakeholders. Become the performing and prestigious bank in Vietnam. Actively play a role in channeling international green financing to enterprises/projects meeting "green" standards to build a "green" bank. 	   
Environment	<ul style="list-style-type: none"> Bringing funding and investment opportunities to "green" projects. Review and closely evaluate credit facilities for all projects to ensure that credit is not granted to organizations/projects on exclusion list and aim at "zero" net emission supply chains. Target to have climate-neutral provider portfolio Implement a program to raise awareness among employees on environmental protection and energy saving. Control and mitigate environmental impacts from the bank's activities. 	     
Social	<ul style="list-style-type: none"> For employees: <ul style="list-style-type: none"> Continue to maintain and support the well-being of all employees in order to boost their performance. Maintain the quality of facilities to create a professional, comfortable and friendly working space. Conduct in-depth internal training courses for senior employees, and orientation training for new employees. Develop a healthy working environment for employees to constantly foster, improve and develop themselves. Ensure gender equality, avoid discrimination in recruitment, empowerment and promotion. Strictly supervise and implement the principles of equality. For community: <ul style="list-style-type: none"> Make responsible investments and commit to support invested projects Actively engage in community activities in the cities where MSB branches are present to improve the quality of life. 	    
Governance	<ul style="list-style-type: none"> Ensure an effective governance structure and compliance with corporate governance regulations and laws Ensure shareholders' interests and fair treatment among shareholders Ensure the roles and interests of relevant stakeholders Ensure transparency in all activities Ensure the supervision of the Board of Directors and the Board of Management 	

Based on the analysis of MSB's business performance and stakeholder interests, we have chosen to some key aspects for MSB's strategic Sustainable Development strategy.
















2023 SUSTAINABLE DEVELOPMENT GOALS OF MSB

Based on the assessment and forecast for 2023, MSB sets out the key tasks for the sustainable development goals as follows:

- Completing and implementing ESMS system in credit facilities from June 2023.
- Sourcing cost-efficient medium and long-term funding for green credit and expect to increase 30% of total disbursement to customers meeting "green" standards in 2023.
- Maintain robust and sustainable business growth, invest in digitization, reduce resource-consuming activities, continuously improve operational efficiency and competitiveness.
- Maintain and support the well-being of all employees in order to boost their performance.
- Implement an energy saving and waste reduction program within the bank, targeting to reduce CO₂ emissions by 3%.
- Maintain strong relations with stakeholders.

ASSESSMENT OF ECONOMIC - ENVIRONMENTAL - SOCIAL ACTIVITIES AT MSB

2022 key achievements		Sustainable Development Goals SDGs
Economic		
Business performance	<ul style="list-style-type: none"> Total operating income: VND 10.7 trillion Profit before tax: VND 5,787 billion Profit after tax: VND 4,616 billion Bonus shares to existing shareholders with ratio of 30% in 2021 Salary expenses: VND 2,648 billion Mobilized USD 30 million green funding from Proparco - under the umbrella of Agence Française de Développement (AFD) - to provide credit facilities to renewable energy projects in Vietnam meeting requirements of environmental and social risk management according to international standards 	  
Indirect economic impact	<ul style="list-style-type: none"> Paid VND 1,067 billion into the State budget. Funding: VND 21.4 billion for community development activities. Created jobs for 6,317 employees 	
Environment		
Compliance with environmental laws	<ul style="list-style-type: none"> In 2022, MSB did not record any violations of environmental laws and regulations. 	
Emissions management	<ul style="list-style-type: none"> Electricity consumption: 14,673,434 kWh/year Water consumption: 185,377 m³/year Total solid waste: 119,957 kg/year Organized battery collection and plastic bottles replacement program Launched internal campaigns to reduce emissions in MSB's daily operations 	
CO₂ emissions	<ul style="list-style-type: none"> Total CO₂ emissions: 14,786.85 tons of CO₂e/year CO₂ emissions range 1*: 161.2 tons CO₂e/year CO₂ emissions range 2**: 12,410.8 tons CO₂e/year CO₂ emissions range 3***: 2,214.65 tons of CO₂e/year 	

2022 key achievements		Sustainable Development Goals SDGs
Social		
Employee and occupation	<p>Salary and remuneration: 100% employees were satisfied about salary and remuneration</p> <p>Training and development:</p> <ul style="list-style-type: none"> 1,071 training sessions across 1,153 managers 22,906 hours of professional training 39.68 average training hours for managers 20.18 average training hours for employees <p>Diverse, equality:</p> <ul style="list-style-type: none"> 45.29% managers are female <p>Employee-manager relations:</p> <ul style="list-style-type: none"> 100% employees engaged in labor contract 	    
Relations with stakeholders	<ul style="list-style-type: none"> Fully attended meetings, justify and contribute ideas upon the request of regulators, ministries, departments, partners Organized 1 Annual General Meeting of Shareholders. Organized 4 earning calls on a quarterly basis (including online meetings) with investors, securities companies, investment funds Attended investor conference held by Saigon Securities Company - SSI and Goldman Sachs Held meetings with shareholders, institutional investors and potential investors upon request. Received information from investors and stakeholders via email: ir@msb.com.vn Set up contact center on top of other customer care channels such as email, call center, Facebook, Zalo, etc. to give direct advice, increasing engagement with customers. Carried out customer satisfaction survey: 99% of customers were satisfied, 98% of calls, emails were well received by customers 	

(*) Scope 1: Direct emissions - are the source emissions coming from the facilities owned or controlled by the company: fuel combustion for the company's vehicles.
 (**) Phạm vi 2: Indirect emissions - come from outsourced power generation that is consumed at the facilities owned or controlled by the company: electrical equipment.
 (***) Other indirect emissions of the company, source emissions from the facilities not owned or controlled by the company: commute of employees, use of vehicles for business travel, use of materials during production, liquid or solid waste.

Programs on raising awareness about energy saving, waste reduction and green gas emission reduction at MSB

In 2022, in addition to actions under the Environmental Protection Scheme, MSB also implemented some additional solutions at MSB's workplace, including:

- Implementing the used battery collection program for employees
- Replacing single-use plastic cups and bottles by glass cups and bottles
- Implemented internal communication programs to raise awareness on efficient use of energy, natural resources and environmental protection in daily activities and public procurement agency; actively responded to the movements of "green lifestyle" and "green consumption"

In 2022, thanks to timely direction and management of the Board of Directors, the bank achieved some economic - environmental - social achievements. In 2023, MSB expects that the improved ESG management system will maximize operational efficiency to create more sustainable values for valued shareholders, partners, employees, and the community.

Corporate social responsibility

After 31 years supporting and developing with the community, MSB's corporate social responsibility was constantly enhanced through many practical programs with the joint efforts of more than 6,000 employees countrywide. The humanitarian journey pursued by the bank helped to spread "mutual support" towards a better life. Based on that foundation along with strong efforts and commitments, in 2022, MSB devoted a lot of resources to this responsibility, closely following the guidelines and policies of the Party, Government and the banking industry, in particular:

- Early 2022, MSB donated VND 700 million to poor, near-poor people in Ha Tinh, responding to the call of Ha Tinh Provincial Party Committee, to share, encourage and support people to have a warm and safe Lunar New Year amid Covid-19 epidemic.
- In March 2022, MSB donated VND 500 million to "Our Fatherland border in March" program organized by the Youth Union of the Ministry of Public Security to support the many philanthropic activities in A Luoi district, Thua Thien Hue province and Ngoc Hoi district, Kon Tum province. These activities included communicating about regulatory policies and laws; providing economic development model to households severely affected by the Covid-19 epidemic; donating computers, clean water purification, school equipment to ethnic minority students in

border areas; donating generators, computers, Covid-19 prevention medical equipment to the commune public security, border guards, etc.

- In May 2022, responding to the call of the Central Public Security Party Committee and the Ministry of Public Security, MSB donated VND 5 billion to support Tuyen Quang province with more resources to soon eliminate temporary and poor quality houses to ensure a stable and secure life.
- On June 24, 2022, MSB donated VND 5 billion to the Central Fund for Crime Prevention and Control to contribute to the fight against crime and protect social order and security. MSB's support proved the bank's active engagement in social security maintenance. The bank also coordinated with the authorities to "Maintain political security, social order, people security, economic security, cyber security, and disciplined society" set forth by the Resolution of the 13th Congress Party. While building a secure and healthy society and a healthy financial-banking industry in particular, especially in the 4.0 digital era when cybercrime is becoming a top concern, cyber risk management is the top priority.



Mr. Nguyen Hoang An – Vice Chairman of Board of Directors at MSB donated VND 5 billion to Central Fund for Crime Prevention

On October 17, 2022, in response to the call of the Vietnam Fatherland Front Committee, MSB donated VND 10 billion to support social security program in the event of "Join hands for the poor" in 2022 toward the "For the poor" month. The donation is used to build 200 social houses in Dai Loc and Que Son districts in Quang Nam province and Muong Lat district in Thanh Hoa province. This is a humanitarian gift that MSB wanted to present to the local people, reassuring and motivating them to strive better, just as the motto "Leave no one behind" of the program. The donation showed the bank's efforts in realizing the plan of the Party and Government on poverty reduction and country development.



Retail Banking at Vung Ro school, Dong Hoa town, Phu Yen province



MSB donated VND 10 billion to the program "For the poor" in 2022

Raising the motto of "Giving not just receiving", MSB's Retail Banking ran a philanthropic program at Vung Ro school, Dong Hoa town, Phu Yen province in which the bank gave 60 scholarships to poor students and orphans at the end of 2022. At the same time, the bank helped build a computer room and renovate restroom. We aimed to share the hardships and motivate the students on the journey to knowledge.

In addition to local social security, MSB's Union also supported internal employees affected by the Covid-19 with a budget of more than VND 1.2 billion. We also held the post-Covid treatment counseling program to ensure the well-being of our employees while showing that we are always there for our people.

MSB has affirmed its desire to support the country in sustainable development through such actions. In the coming time, MSB will actively implement projects to support sustainable development with experienced global partners in order to align operating and business processes with international standards on sustainable development. By investing both resources and manpower in business activities and social activities, MSB is proud of its efforts in developing a greener, more modern Vietnam closer to developed countries while still preserving the traditional values of Vietnamese people.



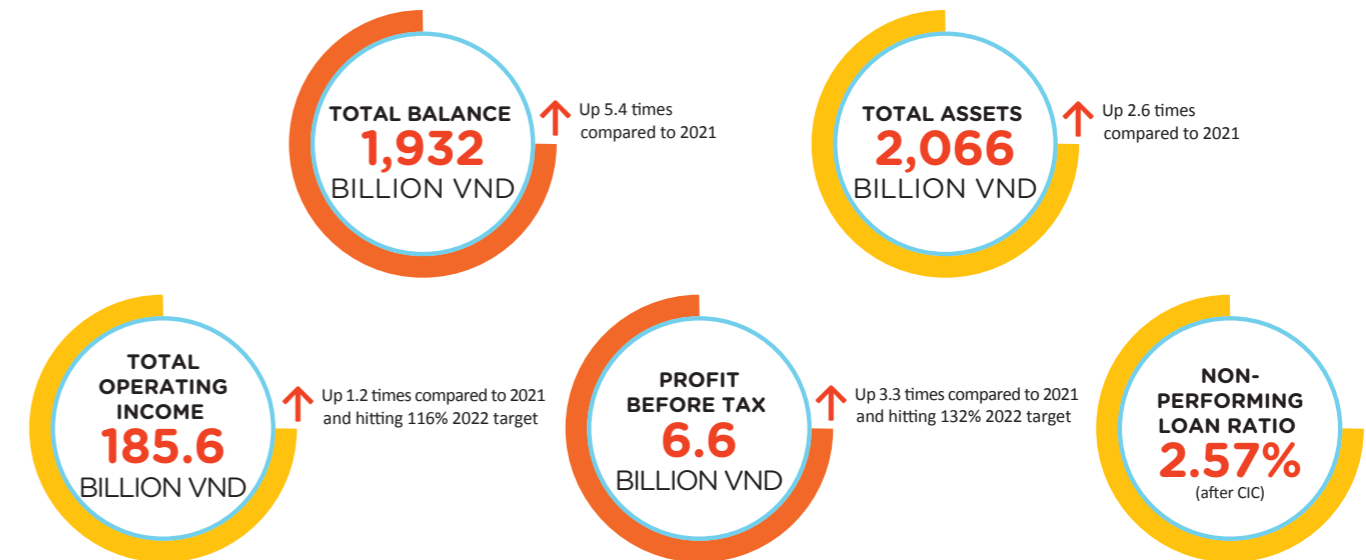
ACTIVITIES OF SUBSIDIARY - FCCOM

By the end of 2022, FCCOM had 22 points of sales (POS) with total 426 employees, serving nearly 15,000 customers across 18 cities nationwide. Striving to contribute to the community development, provide professional, fast and easy services to consumers, and modernize thanks to the partnership with vendor on digital journeys such as Sale Apps, 9Plus, TNEX, etc. FCCOM is always a solid and trustworthy entity for customers.

FCCOM's key product lines include:



Business results of FCCOM in 2022 are as follows:



2023 DIRECTIONS AND TARGETS



BUSINESS ENVIRONMENT – OPPORTUNITIES AND CHALLENGES

Global economy is forecast to face many difficulties and challenges in 2023 due to lingering impact of adverse events in 2022. The conflict between Russia and Ukraine compounding with economic downturn due to monetary tightening to control inflation rate will be key issues challenging growth rate. By the end of 2022, IMF forecast that global economic growth will decline from 3.19% in 2022 to 2.66% in 2023, mainly due to the stagnant growth of developed economies (from 2.43 % in 2022 to 1.11% in 2023) while no major change in emerging and developing economies (3.73% vs 3.74%).

China's reopening is expected to boost global economic growth. However, there will likely be an "export" inflation in China right at the time the US Federal Reserve and other central banks are struggling to curb pricing hikes. According to Bloomberg Economics, China's gross domestic product (GDP) growth rate is forecast to increase from 3% in 2022 to 5.8% in 2023. The acceleration of China's economy may increase global consumer prices in the fourth quarter of 2023 by nearly 1%, or even nearly 2% if the China's GDP outperforms at 6.7%.

Regarding the FED, as gold price is on the rise for the third month in a row along with the US economic slowdown, FED might soon stop raising the base interest rate, then keep unchanged until cutting down gradually to a neutral threshold of 2.5% in the long term. Personal Consumption Expenditures (PCE) index - FED's preferred inflation gauge - has cooled down, increasing the likelihood that the Fed will stop raising interest rates this year. Under the impact of FED, most other central banks may have similar actions on interest rate policy.

Regarding Vietnam's economy, considering "lag effect" against global economy, the growth in 2023 is forecast to slow to 6%, while inflationary pressure will expose fully, closer to 4.5%. The main causes are economic and political uncertainties in the region and the world, higher inflation rate, tightened global monetary policy, many devalued currencies leading to de-growth in production in many sectors, etc. Regarding domestic market, consumer and investment confidence just recovered post-Covid-19 will likely subdue stemming from the ripple effect of struggling real estate market. Increased deposit rates with heightened risks in other investment channels will raise the demand for savings. Higher lending costs will dis-incentivize new lending for consumption and investment.

Yet, one highlight is that the Government early identified potential challenges and issues, especially in securities, real estate, corporate bonds (from Resolution 143/NQ-CP dated November 4, 2022 to Resolution 156/NQ-CP dated December 6, 2022, followed by Resolution 01/NQ-CP dated January 6, 2023). At the same time, the Government deployed many aggressive policies to neutralize the risk of an economic crisis temporarily, but it still needs a lot of time and resources to tackle.

Given that, 2023 is considered a relatively difficult year for the finance and banking industry. With high deposit rate in the second half of 2022 which is likely to persist into many months in 2023, net interest margin of banks (NIM) is expected to decline. According to some securities companies, the State Bank may maintain a conservative credit growth cap in 2023 as long as the FED has not lowered interest rates yet; exchange rate and inflation will remain a concern; and corporate bond, real estate and export markets will continue to be stagnant.

However, according to Deloitte's 2023 Global Capital and Banking Outlook report, banks in Vietnam can still remain profitable if exchange rate is kept stable and income source is diversified. The economic research department of some securities companies also assumed that outlook can be more positive when interest rates and exchange rate pressures are eased while liquidity issues can be partly solved thanks to public investment.

Banking-wise, the State Bank issued Circular No. 26/2022 revising the calculation of loan to deposit ratio (LDR). Accordingly, new LDR ratio will be significantly reduced, thereby helping banks to lend more while ensuring LDR ratio below the limit of 85%. It means the market can also access to funding. The consideration of proposal to delay the implementation of Decree 65 on bonds which helps ease off bond maturity pressure and reduce the risk of default is considered a positive move.

Sustainable development trend through green banking plan and access to green credit can open more opportunities in 2023. This trend is gradually becoming a long-term strategy of many entities. This is an opportunity to attract foreign capital inflows in Vietnam, and increase the capital investment channeled into local businesses which meet sustainable development standards (ESG).



DEVELOPMENT STRATEGY

In 2023, we will persist to MSB’s vision of "Become a bank everyone wants to join and no one wants to leave" built on 4 pillars and 3 key foundations.

4 pillars:

- **Differentiated customer value positioning:** Focusing on specific segments, providing holistic solutions and advice to help customers achieve their plan.
- **Optimized, multi-channel distribution:** Focusing on in-depth development, selecting key areas to concentrate resources in order to effectively tap and maximize market potential. The bank is gradually shifting to digital channels to improve customer acquisition and experience.
- **Productive and stable salesforce:** Improving salesforce quality and applying systems, tools, and digitization.
- **Expanding partnerships and ecosystems:** Cooperating with partners, building an ecosystem to offer customers outstanding and superior products and services, while reinforcing synergy and promoting potential growth of MSB and partners.

3 foundations:

- **Digitizing and streamlining end-to-end with advanced analytics:** Streamlining policies, documents, and processes; automating documentation; managing seamless data, applying big data analytics to decision making; deploying digitization “Agile” and “Agile@scale” models (*).
- **Risk management:** Taking initiative in standardization according to Basel III; building and developing a reliable decision-making mechanism with a proper scoring model; proactive risk management.
- **Organization, people and culture:** Providing a customer-centric, innovative, and professional working environment; nurturing, engaging and rewarding talents; building a culture of respect, transparency and efficiency; promoting trust and performance.

(*) Agile: is an implementation method enabling quick response and adaption in which study – test – apply will be conducted simultaneously and continuously.
Agile@scale: Agile implementation at a large scale.

KEY PROJECTS IN 2023

- **Digital Factory:** Continue to deploy and upgrade the digitization of customer journeys including unsecured loans and credit cards for the salary income segment, unsecured loans for business owners, non-life insurance products, home loan products, unsecured loan and secured products for SME customers.
- **Modernization of Core Banking:** Replace Core Banking SIBS and the existing over-the-counter systems (BDS), trade finance operations, Swift Editor, Payment Gateway with a new suite of Core Banking solutions.
- **Digital Banking Platform:** Build a flexible and scalable digital banking platform that allows customers to self-service anytime, anywhere; delivers an intuitive and seamless user experience to acquire more customers and improve sales performance.
- **Customer Data Platform/Marketing Technology:** Build a holistic infrastructure leveraging real-time data and 360-degree customer view and apply marketing technologies to attract, engage, and retain users through innovative and personalized experience.
- **Business Process Management:** Centralize and automate manual operations on BPM system associated with digital customer journey and digitize approval process on BPM.
- **Operation Transformation:** Develop additional channels to receive customer requests such as Chabot, 24/7 support to enhance customer experience and improve over-the-counter transaction quality.
- **Enterprise Data Transformation:** Align bank-wide data strategy; improve data mining and governance on the bank-wide level.
- **Omni Chanel CXM - Customer Experience Management:** Build a consolidated omni-channel customer experience management infrastructure, as well as predict customer behavior and financial impact as the basis for innovation.
- **Risk STP - Straight Through Processing:** Design processes, policies and integrate, digitize processes on risk modeling and risk approval, develop real-time environments; build and upgrade risk management models and standard workflows.
- **Digital Sale Platform:** Develop a single platform for the frontline effectively integrated to other digital platforms of the bank and its partners, thereby helping to improve sales productivity, develop sales team capabilities and rapidly expand sales channel for MSB.

FINANCIAL TARGETS

- Expand Retail Banking's market share through product development, digitization, and sales training. As a result, TOI and profit growth in Retail Banking will have a breakthrough and become the main growth driver of MSB.
- Diversify funding mix with higher proportion of offshore fundings, green and sustainable development funding
- Continue to optimize balance sheet, ensure liquidity and effective capital use, continue to increase NIM ratio and grow CASA.
- Improve risk management standards, study to apply Basel IV, issue IFRS reports and standardize governance principles in accordance to international practices
- Improve asset quality, completely settle foreclosed assets.
- Continue to invest in technology, digitization to optimize and create breakthroughs.

Specific targets for 2023

In 2023, the economy is forecast to face many challenges from high interest rate, warning global inflation rate, tightened liquidity and heightened potential bad debts in real estate sector. Profit growth of the banking industry in 2023 is expected to be significantly lower than in 2022. According to the State Bank's Statistical Forecast Department, in the first 6 months of 2023, 67.3% - 71.3% credit institutions are expected to keep unchanged, 21.7% - 16.1% are expected to tighten and 10% - 12.6% are expected to loosen lending terms across all customer groups. Meanwhile, credit institutions will also try to close the gap between lending interest rates and cost of fund on business loan to support the economy.

In response to uncertain economic developments, MSB's Board of Management reviewed possible economic scenarios to proactively and readily cope with any complications of the market. 2023 plan was laid out in a prudent manner to maintain effective growth while ensuring capital adequacy, mitigating credit risks, and controlling NPL.

Unit: VND billion

No	Target	Actual 2022	Plan 2023	Comparison plan 2023/actual 2022
1	Total assets	212,776	230,000	108%
2	Mobilization from customers and bonds	128,720	142,000	110%
3	Credit to customers (including economic entities and individual loan balance, corporate bond balance) ^(*)	123,223	141,700	115%
4	Non-performing loan (group 3-5)	1.24%	<3%	
5	Profit before tax	5,787	6,300	109%
6	Remuneration and expenses to the Board of Directors and Board of Supervisors	21.1	25.5	121%
7	Charter capital ^(**)	19,857.5	20,000 ^(**)	
8	Dividend payout/Bonus share ratio	30%	^(***)	

^(*) Depending on the credit growth limit granted by the State Bank from time to time.

^(**) Charter capital was increased to VND 20,000 billion when MSB completed the issuance of ESOP in 2022. However, the issuance happened by the end of 2022 so MSB just received Decision 45/QĐ-NHNN on amending MSB's business registration license on January 9, 2023 with a new capital of VND 20,000 billion. Shortly after that, the bank accounted and revised Charter and on January 13, 2023, MSB received its business registration certificate from the Department of Planning and Investment of Ha Noi revised for the 26th time which certifies new capital.

^(***) The Bank paid dividends and issued bonus shares at the ratio of 30% in 2021 and 2022 to shareholders. Given market volatility, negative impact from interest rate trends, and upon request to focus on risk management from the regulators, MSB would like to propose to the AGM to retain capital position as is to create a solid buffer capital for the bank. When the market situation gets more optimistic, the Board of Directors will submit to the AGM a plan to pay dividend/bonus shares aligned with profit generated in 2022.

To achieve these targets, MSB sets out a development strategy based on 6 core values:

- **Grow targeted segment: focus on retail and SME customers**
 - + Retail customers: business owners, salary-based customers
 - + SME: small and medium enterprises in production, commerce and construction
 - + Continue to develop Private Banking through strategic partnership with Kaleido Bank (Switzerland) and other international organizations
- **Focus on technology/digitization**
 - + Enhance customer experience
 - + Implement mobile working policy
 - + Keep close track on digitization plan of the bank
- **Optimize expenses**
 - + Operating expense management through technology adoption in operations and internal management
 - + Diversify funding mix with low funding cost through CASA and international financing (green finance) attraction
- **Diversify income structure**
 - + Leverage financial ecosystem
 - + Increase non-interest income through cross-selling solution
 - + Promote bancassurance activities
- **Risk management**
 - + Enhance data security, automate internal processes
 - + Study and improve risk management standards, especially credit risk. Post-disbursement process and warning system will be focused. Diversify debt recovery methods to reduce non-performing loan balance. Prepare IFRS report to ensure transparency and compliance to international governance standards
 - + Continue to develop and apply international standards such as Basel III, IV and ESMS in the ESG strategic plan

- **Enhance asset quality, settle foreclosed assets completely**

- **Promote ESG development**

- Integrate ESG criteria into the bank's policies and governance, demonstrating MSB's commitment to sustainable growth
- + Financing and credit incentives to support the deployment of clean energy solutions, support the transition to a low carbon economy (renewable energy projects, construction projects/residential projects, sustainable production project, etc.) and for education and health development
- + Reduce environmental impact of the bank's operations (managing carbon emissions by direct and indirect greenhouse gas emission reduction, energy use reduction, etc.)
- + Invest in personnel (providing the best workplace for employees, attracting talent, etc.)
- + Help customers strengthen their financial health and support them in their ESG transformation journey
- + Consolidate and improve corporate governance to protect the interests of stakeholders including customers, employees, shareholders and the community



ASSESSMENT OF THE BOARD OF DIRECTORS ON BANKING ACTIVITIES

ASSESSMENT OF THE BOARD OF DIRECTORS ON BANKING ACTIVITIES

In 2022, there were a lot of economic and political uncertainties both in Vietnam and the world, especially base interest rate hikes impacting banking industry and enterprises. With the efforts of all staff and management experience of the leadership team, MSB recorded quite positive business results, specifically:

- Total assets reached VND 212,776 billion, up 4.5% compared to 2021
- Profit before tax reached VND 5,787 billion, up 14% compared to 2021
- Credit growth hit 16.35%, high in the sector. Average CASA ratio reached 36%, top 3 bank

In addition to financial results, with the efforts to develop high quality services and products, strong investment in digitalization and technology to optimize working efficiency, improvement on personnel quality, etc. MSB was honored with prestigious domestic and international awards such as: "Top 10 prestigious joint stock commercial banks in 2022" according to Vietnam Report, "The best digital transformation bank in Vietnam in 2022" honored by The Global Economic Magazine, "Best Place to Work in Asia 2022" by HR

Asia, etc. These prestigious awards proved MSB's commitment to "rising above" with customers, employees, shareholders and partners. It also motivates MSB to continue its research and development of outstanding hi-tech products and services, helping it to reclaim its top position among joint stock commercial bank and boosting financial-banking growth.

Under a long-term roadmap on economic growth based on sustainable development, in 2022, MSB took a foundational step in adopting Environmental, Social and Governance criteria into business activities. The bank had a plan to apply international risk management standards, successfully mobilized the its green financing valued at USD 30 million from Proparco organization (under AFD) to facilitate "green" projects, strictly complied with the law on environmental protection, and strengthened domestic and international cooperation to build an Environmental - Social risk management system (ESMS). MSB also implemented employee policies effectively such as focused on training and people development to ensure their stable and best life conditions. The bank prioritized the compliance to public company governance and aimed at transparency and mutual benefits for stakeholders.

ASSESSMENT ON THE BOARD OF MANAGEMENT ACTIVITIES

Chief Executive Officer and Executive Committee members demonstrated their flexibility and experience in governance and management, with the ability to respond and adapt quickly throughout 2022. Against the backdrop of many uncertainties in the country and the world, the CEO and Board of Management regulated as per the AGM's resolutions and BOD's directions and ensured compliance with the Charter, regulatory requirements and in line with the market situation.

The BOD and BOM attended business review meetings at MSB on a monthly basis. In these meetings, the BOD resolutions and decisions were reviewed in terms of implementation progress and pending issues. In addition, the BOM also updated market movements and reported on the activities of Divisions/Departments/

Offices, and developed action plans towards the completion of the business plan.

Amid fierce competition in the banking industry, tightened requirements from the State authorities, the increase of customers' needs in post-pandemic supports, sustainable development covenants required by foreign partners, etc. the CEO and BOM actively studied and implemented new business plan, invested and adopted digitalization to improve business efficiency while applying prompt and flexible management solutions to respond to market complications and deliver as best as they could 2022 targets with a balance of interests among stakeholders.

PLAN AND DIRECTIONS OF THE BOARD OF DIRECTORS

Delegated by the AGM, the Board of Directors directed the implementation of assigned targets, specifically:

Unit: VND billion

No	Target	Plan 2022	Actual 2022	Actual 2022/ Plan 2022
1	Total assets	233,000	212,776	91%
2	Mobilization from market 1 and bonds	123,808	128,720	104%
3	Credit to customers (including economic entities and individual loan balance, corporate bond balance) ^(*)	130,752	123,223	94%
4	Non-performing loan (group 3-5)	<3%	1.24%	Below
5	Profit before tax (including debt recovery after provision)	6,800	5,787	85%
6	Remuneration and expenses to the Board of Directors and Board of Supervisors	25.5	21.1	83%
7	Charter capital ^(**)	20,000	19,857.5	20,000
8	Dividend payout ^(***)	30%	30%	Completed

On top of financial targets, the BOD also focused on:

- Studying and applying more new business models and methods to improve efficiency, supporting customers on the basis of 5 main pillars including: customer understanding; optimize chain and ecosystem in sales; improved sales performance; streamlining and digitization; Big Data applications and advanced analytics.
- Improving efficient use of capital, ensuring adequate capital, assessing investment capital effectiveness, and carrying out solutions to improve the efficient use of capital, strengthening debt management, new NPL limitation, and ensuring liquidity.
- Instructing to continue the implementation of solutions on improved governance quality across the system, promoting the application of technology in developing the product, service design and management capabilities while supporting digital transformation, improving transparency in corporate governance.

^(*) Depending on the credit growth limit granted by the State Bank from time to time

^(**) Charter capital was increased to VND 20,000 billion when MSB completed the issuance of ESOP in 2022. However, the issuance happened by the end of 2022 so MSB just received Decision 45/QĐ-NHNN on amending MSB's business registration license on January 9, 2023 with a new capital of VND 20,000 billion. Shortly after that, the bank accounted and revised Charter and on January 13, 2023, MSB received its business registration certificate from the Department of Planning and Investment of Ha Noi revised for the 26th time which certifies new capital

^(***) MSB issued bonus shares at the ratio of 30% to shareholders in 2022. These shares are issued from owner's equity source and in accordance with profit distribution plan approved by AGM according to Resolution No. 30/NQ-DHDCD dated April 25, 2022

CORPORATE GOVERNANCE



BANKING GOVERNANCE SNAPSHOT

Vietnam's socio-economy in 2022 was challenged by major adverse events and volatility of global economy. High inflation increased risks to the financial and monetary market. Given that, besides staying close to business targets and complying with legal requirements and policies of regulatory authorities, MSB revamped its corporate governance system to balance the interests of shareholders - customers/partners - regulators - employees towards community values.

MSB Annual General Meeting in 2022 elected members of the Board of Directors and Board of Supervisors for term VII (2022-2026) and approved MSB Charter, MSB Governance Regulations, and Regulation on the organization of the Board of Supervisors, and Regulation on the organization of the Board of Directors in accordance with applicable laws. Revised applicable laws and corporate governance international practices learned from our partners were provided to relevant units to promptly and effectively apply.

In 2023, MSB plans to build and develop transparent, and fair corporate governance principles ensuring the professionalism and combining with corporate culture promotion under the core values of responsibility - respect - listen - efficiency aligned with holistic digital transformation of the bank.

INVESTOR RELATIONS

Since listing on the Ho Chi Minh Stock Exchange (HSX) in December 2020, MSB has focused on promoting investor relations and upholding the compliance with corporate governance principles applied to large public and listed companies. The bank built and developed internal processes to ensure timely and transparent communication to shareholders and investors, and ensure the interests of stakeholders.

Regarding information disclosures, the bank complied with regulations on information disclosures on the stock market and carried out information disclosures in a timely manner. Regular and ad-hoc reports were all posted on MSB website, the information portal of the State Securities Commission, and the Ho Chi Minh Stock Exchange. Presentation pack and business performance reports were disclosed in Investor Relations part on MSB website.

The Bank successfully held the Annual General Meeting on April 25, 2022 while the total number of voting shares of attendees and proxy was 1,175,777,029 shares, accounting for nearly 77% of the total number of voting shares. MSB also organized quarterly in-person/online meetings with shareholders, investors, funds, securities companies, and analysts to announce business results and give way for discussion between the participants and the leadership in which business-based questions were addressed. Attendees and senior management of MSB to update, accurately and promptly answer questions related to the bank's operations. These meetings attracted many participants. It is the bank's official communication channel to the investor community in which participants are timely informed under corporate governance standards.

Besides, MSB attended international seminars to meet foreign investors. In 2022, MSB met and discussed in-person/online with local and foreign investors upon request. There were also conferences organized by SSI, Goldman Sachs, VDSC, etc. to engage investors interested in MSB shares.

In addition, the Investor Relations Department regularly received information and addressed inquiries of interested parties via email address ir@msb.com.vn.

Aiming at transparency, professionalism and fairness in information disclosures to all shareholders, in 2022, MSB was named in top 15 listed large-cap companies with the best investor relations activities organized and rated by Vietstock - IR Awards 2022. Eligible enterprises in this list all meet the quantitative criteria for stock liquidity, foreign investors interest, financial transparency, robust corporate governance, well compliance in internal shareholders' transaction and treasury shares.

In 2023, MSB plans to continue to apply corporate governance standards according to international practices to meet strict requirements from not only local but also foreign investors. Communication channels will not only be restricted within Vietnam but promoted more on international platforms to attract more foreign investors. Investor Relations Department will maintain IR activities in 2022 and improve and accelerate information transmission through digitization to deliver fastest and most accurate responses from the bank to the investor community.

CHANGES IN OWNER'S EQUITY

Unit: VND million

	Separate		Consolidated	
	2022	2021	2022	2021
OWNER'S EQUITY	26,713,467	22,092,158	26,653,998	22,037,785
1 Capital	19,891,568	15,767,318	19,891,568	15,767,318
i. Charter capital (*)	19,857,500	15,275,000	19,857,500	15,275,000
ii. Capital expenditure fund	608	608	608	608
iii. Share premium	33,460	491,710	33,460	491,710
iv. Treasury stock	-	-	-	-
v. Preferred stock	-	-	-	-
2 Reserves	1,894,182	1,275,266	1,896,036	1,276,973
3 Retained earnings/Accumulative loss	4,927,717	5,049,574	4,866,394	4,993,494

In 2022, following the AGM's Resolution No. 30/NQ-ĐHĐCD dated April 25, 2022, MSB increased its charter capital from VND 15,275 billion as of December 31, 2021 to VND 20,000 billion through:

- The issuance of bonus shares to existing shareholders with 30% payout ratio to increase charter capital from VND 15,275 billion to VND 19,857.5 billion. The ex-date to finalize eligible shareholders list concurred with closing date of issuance, on October 11, 2022. The bank issued 458,250,000 shares to existing shareholders and already registered then listed these shares. On November 23, 2022, the SBV issued Decision No. 1958/QĐ-NHNN on amending MSB's business registration license in which the charter capital increased to VND 19,857.5 billion. On November 28, 2022, MSB received its business registration license revised for the 25th time with charter capital of VND 19,857.5 billion.
- Issuance of 14,250,000 bonus shares to employees under Employee Stock Option Program in 2022 (ESOP 2022). Issuance date was December 1, 2022. MSB registered and listed these shares. On January 9, 2023, the State Bank of Vietnam issued Decision No. 45/QĐ-NHNN amending MSB's business registration license in which the charter capital increased to VND 20,000 billion. On January 13, 2023, MSB received its business registration license revised for the 26th time with charter capital of VND 20,000 billion.

Treasury stock transaction

In 2022, MSB had no transactions related to treasury stock. During the year, the number of treasury shares of the bank was zero.

By December 27, 2022, MSB completed the use of capital raised from treasury stock sales in 2021 (issued to existing shareholders and employees under ESOP 2021). At the Annual General Meeting held in

April 2022, the AGM approved the change in using capital earned from treasury stock sales, from technology project investments until 2025 to credit facilities to customers with an aim of efficient use of capital. The use of this capital was audited by E&Y auditor and fully disclosed by MSB on website of the bank and reported to shareholders at AGM.

(*) Charter capital was increased to VND 20,000 billion when MSB completed the issuance of ESOP in 2022. However, the issuance was completed by the end of 2022 so MSB just received Decision 45/QĐ-NHNN on amending MSB's business registration license on January 9, 2023 with a new capital of VND 20,000 billion. Shortly after that, the bank accounted and revised Charter and on January 13, 2023, MSB received its business registration certificate from the Department of Planning and Investment of Ha Noi revised for the 26th time which certifies new capital.

BOARD OF DIRECTORS



- 1. Mr. TRAN ANH TUAN**
Chairman of the Board of Directors
Master of Business Administration, Griggs University, USA.
 Mr. Tran Anh Tuan joined MSB's leadership in 2007 and acted as Vice Chairman of the Board of Directors, Chief Executive Officer. From February 2012, he has been holding the position of Chairman of the Board of Directors.
- 2. Mr. NGUYEN HOANG AN**
Vice Chairman of the Board of Directors
Bachelor of Economics, Banking Academy, Vietnam
 Mr. Nguyen Hoang An joined MSB in 1991 and acted as Head of Credit Department, Thanh Xuan Branch Manager, Hanoi Branch Manager, Deputy Chief Executive Officer. From May 2018, he has been holding the position of Vice Chairman of the Board of Directors.
- 3. Ms. NGUYEN THI THIEN HUONG**
Vice Chairwoman of the Board of Directors
Master of Business Administration, University of Hawai'i, Manoa, USA
 Ms. Nguyen Thi Thien Huong has many years of experience in the banking industry. From 1995 to 2016, she worked at Techcombank and held different positions such as Head of Securities Project and Investment, Head of Credit Department, Deputy Chief Executive Officer and Standing member of Risk Audit Committee. From May 2018, she has been holding the position of Vice Chairwoman of the Board of Directors at MSB.
- 4. Mr. NGUYEN HOANG LINH**
Member of the Board of Directors, Chief Executive Officer
Master of Business Administration, Hanoi University of Science and Technology, Vietnam
 With over 20 years of experience in banking and finance sector, Mr. Nguyen Hoang Linh has held many important positions in Vietnamese banks such as member of the Board of Directors, Chief Executive Officer at PVCombank; Chief Executive Officer at Western Bank; acting Chief Executive Officer at Vietnam Asia Bank, etc. He has dedicated to MSB for more than 20 years and is tasked with many key roles such as Ho Chi Minh Branch Director, Deputy Chief Executive Officer cum Head of Corporate Banking Division, Deputy Chief Executive Officer cum Head of Strategy Division, Deputy Chief Executive Officer cum Head of Retail Banking. In March 2020, he was elected as Chief Executive Officer. In September 2020, he was elected to the Board of Directors.
- 5. Mr. TRAN XUAN QUANG**
Member of the Board of Directors
Master of Business Administration, University of Southern California, USA
 Mr. Tran Xuan Quang joined MSB since 1993 and held important positions such as Director of Transaction Office, Deputy Chief Executive Officer in charge of Corporate Banking and Retail Banking, Deputy Chief Executive Officer cum Head of Corporate Banking, Deputy Chief Executive Officer cum Head of Strategy Division, etc. From April 2016, he has been a member of the Board of Directors.
- 6. Ms. LE THI LIEN**
Member of the Board of Directors
PhD in Science in Business Administration, California Miramar University, USA
 From 2007 to 2012, Ms. Le Thi Lien was the Chairwoman of the Board of Directors of Vietnam Maritime Commercial Joint Stock Bank term IV cum the representative of the ownership in MSB of Vietnam Posts and Telecommunications Group (VNPT). She also acted concurrently as Head of Investment and Capital Management at VNPT. From 2012 to 2017, she held various positions such as Head of Investment and Capital Management Department, Deputy Head of Finance - Strategy Division under the Members' Council of VNPT. From May 2018 to April 2022, she was elected as independent member of the Board of Directors. From April 2022, she has been a member of the Board of Directors.
- 7. Mr. TA NGOC DA**
Independent member of the Board of Directors
Bachelor of Economics, University of Economics Ho Chi Minh City, Vietnam
 Mr. Ta Ngoc Da joined MSB since 2010 and held many positions such as Deputy Chief Executive Officer cum Head of Centralized Credit Settlement Center in Ho Chi Minh City, Deputy Chief Executive Officer cum Head of Credit Approval Division, Deputy Chief Executive Officer cum Chief Risk Officer Division, Deputy Chief Executive Officer. From April 2022, he has been an independent member of the Board of Directors.

Share ownership ratio of the BOD members

No	Name	Position	Number of shares	Ownership ratio (*)	Positions at other companies
1	Mr. Tran Anh Tuan	BOD Chairman	16,847,125	0.842%	None
2	Ms. Nguyen Thi Thien Huong	BOD Vice Chairwoman	92,274	0.005%	None
3	Mr. Nguyen Hoang An	BOD Vice Chairman	338,676	0.017%	None
4	Mr. Tran Xuan Quang	BOD Member	255,528	0.013%	BOD Vice Chairman/CEO of TNG Holdings Vietnam Investment Joint Stock Company BOD Chairman of TNEC Digital Finance Platform and Services Joint Stock Company BOD Chairman of Familymart Vietnam Joint Stock Company
5	Mr. Nguyen Hoang Linh	BOD Member cum CEO	378,560	0.019%	Member of Member Council of Finance Company Limited for Community (FCCOM)
6	Ms. Le Thi Lien	BOD Member	636,961	0.032%	BOD Chairwoman of TNG Asset Joint Stock Company
7	Mr. Ta Ngoc Da	Independent BOD Member	113,568	0.006%	Deputy CEO in charge of the South of TNG Holdings Vietnam; BOD Chairman of TNC Holdings; BOD Chairman of FANNY Vietnam Joint Stock Company; BOD Chairman of TNC Consumer Goods Joint Stock Company; CEO of CS Viet Nam Ice-Cream Company Limited; BOD Chairman of Smart Solution Information Technology Company Limited; BOD Chairman of Smart System Information Technology Company Limited

Committees/Councils under the Board of Directors

Risk Management Committee

Member	Position
Tran Xuan Quang, BOD Member	Chairperson
Ta Ngoc Da, Independent BOD Member	Voting member
Le Thi Lien, BOD Member	Voting member
Nguyen Hoang Linh, BOD Member/CEO	Voting member
Do Thanh Cong	Voting member
Nguyen Thi Thu Hang, Head of Financial Management Division	Non-voting member

Strategy Committee

Member	Position
Tran Anh Tuan, BOD Chairman	Chairperson
Nguyen Hoang Linh, BOD Member/CEO	Vice Chairperson
Dinh Thi To Uyen, Deputy CEO/Head of Strategy Division	Standing member
Nguyen Thi Thien Huong, Vice Chairwoman	Member
Tran Xuan Quang, BOD Member	Member
Le Cam Thuy, CRO	Member

Human Resource Committee

Member	Position
Tran Anh Tuan, BOD Chairman	Chairperson
Nguyen Thu Trang	Standing Vice Chairperson
Tran Xuan Quang, BOD Member	Member
Le Thi Lien, BOD Member	Member
Nguyen Hoang Linh, BOD Member/CEO	Member
Nguyen Ngoc Cuong, Chief Human Resource Officer	Member

Technology Committee

Member	Position
Tran Xuan Quang, BOD Member	Chairperson
Tran Anh Tuan, BOD Chairman	Member
Ta Ngoc Da, Independent BOD Member	Member
Nguyen Hoang Linh, BOD Member/CEO	Member
Nguyen Quoc Khanh, CTO	Member
Dinh Thi To Uyen, Deputy CEO/Head of Strategy	Member
Nguyen Thi Thu Hang, Head of Financial Management Division	Member
Nguyen Ha Thanh, COO	Member
Le Minh Loan, Cybersecurity Expert	Member
Heads of Business Banking and Head of relevant Divisions/Departments	Member

(*) Out of total charter capital of VND 20,000 billion

Risk Settlement Council

Member	Position
Le Thi Lien, BOD Member	Chairperson
Nguyen Hoang Linh, BOD Member/CEO	Vice Chairperson
Nguyen Thi Thien Huong, Vice Chairwoman	Voting member
Le Cam Thuy, CRO	Voting member
Nguyen Thi Thu Hang, Head of Financial Management Division	Voting member
Do Thanh Cong	Voting member
Heads of Business Banking and Head of relevant Divisions/Departments	Non-voting member
Heads of Business Credit Risk under Risk Management Division	Non-voting member

Sustainable Development Committee

Member	Position
Nguyen Thi Thien Huong, Vice Chairwoman	Chairperson
Nguyen Hoang Linh, CEO	Vice Chairperson
Nguyen Huong Loan, Deputy CEO/Head of Financial Institutions	Member
Nguyen Thi Thu Hang, Head of Financial Management Division	Member
Dinh Thi To Uyen, Deputy CEO/Head of Strategy Division	Member
Le Cam Thuy, CRO	Member
Heads of Business Banking or Heads of Divisions/ Departments in charge of relationship management	Member

Activities of the Board of Directors

BOD meetings in 2022

No.	BOD member	Number of meetings attended	Attendance rate	Reason for absence
1	Tran Anh Tuan	05	100%	
2	Nguyen Hoang An	05	100%	
3	Nguyen Thi Thien Huong	05	100%	
4	Nguyen Hoang Linh	05	100%	
5	Tran Xuan Quang	05	100%	
6	Le Thi Lien	05	100%	
7	Ta Ngoc Da	03	100%	Elected as independent member of the BOD since April 25, 2022

BOD oversight of the Chief Executive Officer/Board of Management

The BOD oversees the CEO's management by delegating tasks, conducting regular performance review, participating at the monthly meetings of the Board of Management, and assigning internal audit to assess the management quality as well as ensure compliance with the law and internal regulations.

Activities of committees under the BOD

The advisory Committees were authorized and delegated to perform the following tasks in 2022:

Risk Management Committee (RMC)

In 2022, RMC held 13 meetings and passed 9 proposals via email. At such meetings, the Committee discussed new topics, reviewed proposals and recommendations to the BOD and CEO, and approved monthly risk reports. RMC reviewed and recommended 13 proposals on risk activities to the BOD; reviewed and recommended 14 proposals on risk management to the CEO.

Strategy Committee (SC)

In 2022, SC discussed on 24 topics in 3 in-person meetings and 3 reports via email. As the advisory body to the BOD on strategy and action plan for transformation, SC carried out tasks as below:

- **March:** Strategy Division evaluated and reviewed MSB's organizational structure, managed key metrics in 2021, and proposed changes in line with MSB's strategy.
- **April - May:** Strategy Division reported to SC on the bank-wide implementation of 2021-2022 strategy.
- **June - July:** Updated the progress of IT & Sale Transformation via email.
- **August:** Strategy Division made mid-2022 strategy review and new phase strategy management report.
- **September - October:** Reported and updated the progress of DF, Core Banking, IT Transformation, Sale Transformation, BPM projects via email.
- **November:** Reported key strategic metrics in Q3 of Retail Banking and Corporate Banking via email.

Human Resource Committee (HRC)

In 2022, HRC resolved more than 110 applications and advised the BOD and the Chairman on apparatus matters to meet the growth demand, HR policies in line with statutory requirements, and personnel allocation to optimize resources. HRC also carried out HR procedures related to managers and legal titles under the authority of the BOD and the Chairman, and performed other tasks assigned by the Chairman.

Technology Committee (TC)

In 2022, TC overhauled personnel structure and held 2 official meetings:

- **Q1 and Q2 meeting was held on July 1, 2022.** Topics covered in the agenda include reporting on implementation results/progress of key strategic projects and information security carried out in the first half of 2022, reporting on 2022 budget and its utilization, and action plan of IT Division in the second half of 2022.
- **Q3 meeting was held on September 29, 2022.** Topics covered in the agenda include IT activities review in Q3, strategic advice under the scope of EA project, and initiatives, resource allocation and action plan of IT Division.

2022 full-year meeting of TC is expected to occur at the beginning of 2023 in which IT Division will report on 2022 performance (including operational and support results, new initiatives, and technology) and present 2023 IT plan.

Corporate governance training for the Board of Directors

MSB has been conducting training in various ways to improve and develop the governance capacity of the leadership. MSB promoted internal training and workshops; sent participants to domestic and international courses and seminars; hired private experts on corporate governance to provide coaching to the Board of Management members; rotated and appointed managers between different professional domains to develop their comprehensive capabilities, etc. Notably, understanding the demand for corporate governance amid aggressive digital transformation, MSB held a training program on digital transformation, working model shift, and development strategy in the period of 2022-2027. Besides, members of the Board of Directors and Board of Management participated in seminars on data, enterprise architecture, and sales transformation led by leading experts from consulting organizations such as McKinsey BCG in line with MSB's strategy and the world's banking industry development.

BOARD OF SUPERVISORS



Ms. CHU THI DAM

*Member of Board of Supervisors
Master of Economics, Finance Academy*
Ms. Chu Thi Dam has 27 years of experience in the banking and finance industry. She joined MSB in September 2008 and used to hold the position of Head of Internal Audit Department. From February 2012, she has been a member of Board of Supervisors.

Ms. PHAM THI THANH

*Head of Board of Supervisors
Master of Economics, National Economics University, Hanoi*
Ms. Pham Thi Thanh used to hold many important positions such as Deputy Director of the State Bank of (former) Ha Tay; Deputy Head of the General Supervisory Department at the State Bank of Vietnam; Member of the Board of Directors, Head of Board of Supervisors of Vietnam Bank for Social Policies. She joined MSB in April 2009 as a member of the Board of Supervisors. From September 2009, she has been holding the position of Head of Board of Supervisors.

Ms. LE THANH HA

*Member of Board of Supervisors
Master of Business Administration, Griggs University, USA*
Ms. Le Thanh Ha joined MSB in 1991 and held managerial positions at Accounting, Customer Service, Treasury Management, FX Investment and Trading, Financial Market Division, Financial Institution Banking. From February 2012, she has been a member of Board of Supervisors.

Voting share and other securities ownership of the Board of Supervisors

Voting share ownership ratio

No	Name	Gender	Position	Number of shares owned	Ownership ratio
1	Pham Thi Thanh	Female	Head of BoS	235,254	0.011847%
2	Chu Thi Dam	Female	Dedicated member	141,960	0.007148%
3	Le Thanh Ha	Female	Dedicated member	238,635	0.012017%

Other securities ownership ratio

No	Name	Position	Other stock symbols	Number of voting shares owned	Ownership ratio
1	Pham Thi Thanh	Head of BoS	ACB	1,000	0.000030%
			PGB	1,000	0.000033%
			TN1	1,250	0.002894%
			TNC	5,600	0.014018%
2	Chu Thi Dam	Dedicated member	MBB	3,600	0.000095%
			SSI	3,000	0.000201%
			TCB	7,315	0.000208%
			TN1	1,426	0.003302%
			TPB	2,000	0.000126%
			TNC	5,300	0.013267%
			VND	5,000	0.000411%
			VPB	8,398	0.000138%
3	Le Thanh Ha	Dedicated member	ABB	18,300	0.000019%
			BLI	40	0.000000%
			HIG	73	0.000000%
			LPB	8,050	0.000005%
			MBB	2,820	0.000001%
			POT	96	0.000000%
			TN1	986	0.000023%
			VIE	2,000	0.000970%
TNC	5,300	0.013267%			

Activities of the Board of Supervisors

In 2022, the Board of Supervisors held 5 meetings, including the meeting to elect the Head of BoS for the VII term (2022-2026). Meeting agenda covered updates on MSB's business performance, key resolutions issued by the Board of Directors, and mandates and regulations on the operations of credit institutions MSB issued by the State Bank of Vietnam, etc. Based on them, the BoS agreed on key tasks related to business monitoring, gave directions on internal audit in accordance with the SBV's requirements, supervised remotely and audited core business activities of the bank, informed the BOD and CEO of potential risks and advised on remedial and improvement measures to ensure sound and efficient operations in accordance with the Law.

The BoS reached consensus and agreement in all meetings, which is the premise for the BoS to successfully complete its tasks, contributing to the sustainable development of the bank.

BOARD OF MANAGEMENT



Mr. NGUYEN HOANG LINH

Member of the Board of Directors, Chief Executive Officer, Master of Business Administration, Hanoi University of Science and Technology, Vietnam

With over 20 years of experience in the banking and finance sector, Mr. Nguyen Hoang Linh has held many important positions in Vietnamese banks such as member of the Board of Directors, CEO at PVCombank; CEO at Western Bank; acting Chief Executive Officer at Vietnam Asia Bank, etc. He has dedicated to MSB for more than 20 years and is tasked with many key roles such as Ho Chi Minh Branch Manager, Deputy CEO cum Head of Corporate Banking, Deputy CEO cum Head of Strategy Division, Deputy CEO cum Head of Retail Banking. In March 2020, he was elected as Chief Executive Officer. In September 2020, he was elected to the Board of Directors. In 2021, Mr. Nguyen Hoang Linh was the owner of “Digital Factory” project and digital transformation activities.

Mr. NGUYEN THE MINH

Deputy Chief Executive Officer, Head of Corporate Banking, Master of Finance and Banking, ESCP University and Paris Dauphine, France

Mr. Nguyen The Minh has 24 years of experience in the finance banking sector and has held many important positions at prestigious banks such as Head of MME Division, Northern Manager at HSBC Vietnam; Senior Head of Corporate & Financial Project Division at Calyon Vietnam, etc. In April 2015, he was appointed as Deputy Chief Executive Officer cum Head of Large Corporate Banking. Since January 2019, he has held the position of Deputy Chief Executive Officer cum Head of Corporate Banking.

Ms. NGUYEN HUONG LOAN

Deputy Chief Executive Officer, Head of Financial Institution Banking, Master of Business Administration, Sorbonne University Paris 1

Ms. Nguyen Huong Loan joined MSB in 2009 as Deputy CEO cum Head of Treasury Division. After that, still being Deputy CEO, she took charge of Financial Institution and Large Corporate Banking cum Head of Financial Market Division. As of now, she holds the position of Deputy Chief Executive Officer cum Head of Financial Institution Banking. Ms. Nguyen Huong Loan is tasked with managing all business activities with MSB’s financial institutions including managing relationship and providing products and services to customers who are financial institutions, insurance companies, securities companies, fund management companies and public financial institutions.

Ms. Nguyen Huong Loan has 13 years of experience at Techcombank with many positions. In 2008, she was the Deputy Head of Treasury Division.

Ms. NGUYEN THI MY HANH

Deputy Chief Executive Officer, Head of Retail Banking, Master of Business Administration

Ms. Nguyen Thi My Hanh has 20 years of experience in the banking and finance industry, including 17 years at MSB and has been trusted in many key managerial positions such as Head of Sales and Distribution Channel Center, Head of Business Development and Management Center, Director of Region 1, in charge of Liabilities Department at MSB; Deputy Head of Business Development Center, Retail Banking at VietinBank. In January 2020, she was appointed Deputy Head of Retail Banking. Since December 2020, she has acted as Head of Retail Banking. In April 2022, she was appointed Deputy Chief Executive Officer.

Mr. BUI DUC QUANG

Head of Credit Management Banking, Bachelor of Law, Hanoi Law University, Vietnam

Mr. Bui Duc Quang has over 22 years of experience in the legal sector (9 years in the banking industry). He used to hold the position of Head of Retail Debt Handling at Vietnam International Bank (VIB); Head of Litigation and member of Advisory Council at TNG Group. At MSB, he used to be Head of Litigation & Debt trading, Deputy Head of Credit Management Division, Chairman of MSB AMC and Acting Head of Credit Management Division in January 2020. In July 2020, he was appointed Head of Credit Management Banking.

Ms. DINH THI TO UYEN

Deputy Chief Executive Officer, Head of Strategy Division, Bachelor of Economics, Foreign Trade University, Hanoi

Ms. Dinh Thi To Uyen has 25 years of experience in Marketing & Communications with many senior positions at domestic and foreign entities such as Head of Marketing and Branding at Techcombank, Head of Marketing & Business Development at British Petroleum, Head of Marketing Department at Shell Gas Vietnam, etc. In May 2015, she joined MSB and acted as Chief Marketing & Communications Officer. In February 2020, she was appointed Head of Strategy Division. In April 2022, she was appointed Deputy Chief Executive Officer.

Ms. NGUYEN THI THU HANG

Head of Financial Management Division, Bachelor of Economics, University of Commerce, Vietnam

Ms. Nguyen Thi Thu Hang has 22 years of experience at MSB with many senior positions such as Deputy Head of Financial Management Division cum Head of Financial Management Center, Head of Finance Department, Head of Budget Planning Department. With her extensive financial experience and expertise at MSB, she was appointed Head of Financial Management Division in April 2020.

Mr. NGUYEN VIET SON

Head of Strategic Customers, Master of Business Administration, California Miramar University

Mr. Nguyen Viet Son has many years of experience in finance and banking and held many managerial positions at different credit institutions such as Deputy Head of Credit - Investment Department at Eximbank, Hai Duong Branch Director, Director of Corporate Banking Region 1 at MSB, Deputy CEO at SHB Laos. In December 2022, he officially returned to MSB and acted as Head of Strategic Customer Division.

Ms. LAI THANH MAI

Head of Legal and Compliance Advisory Division, Lawyer, Bachelor of Law, Hanoi Law University, Vietnam

Ms. Lai Thanh Mai has more than 26 years of experience in legal consulting and compliance in banking sector. She joined MSB in 1997 and held many important positions such as Head of Legal Department, Head of Secretariat to the Board of Directors, Head of Legal and Compliance. In January 2019, she was appointed Head of Legal and Compliance Advisory Division.

Mr. NGUYEN QUOC KHANH

Chief Information Officer, PhD, Western Sydney University

Mr. Nguyen Quoc Khanh has more than 23 years working in information technology industry with nearly 16 years holding leadership positions such as Deputy Head of Information Technology Center at Vietcombank, Deputy CEO cum Chief Information Officer at PVCombank, Deputy CEO in charge of information technology at PetroVietnam Finance Corporation, Deputy Head of Information Technology under Preparatory Board at PVBank, Technical Manager at FPT Software, etc. He used to hold the position of Chief Information Officer at MSB from May 2009 to October 2013 with many key achievements. Since April 2020, he officially returned and has held the position of Chief Information Officer at MSB.



Mr. DUONG NGOC DUNG
Chief Marketing Officer
Bachelor of Economic Law

Mr. Duong Ngoc Dung has over 21 years of experience in marketing, communications, and branding. He used to hold many important positions at big banks and financial institutions in Vietnam such as Chief Marketing Officer at Hong Leong Bank Vietnam, Chief Marketing Officer at Vietnam International Bank (VIB), Chief Marketing Officer at Viet Capital Bank and Viet Capital Securities Company, Head of Marketing and Business Development at Sao Bac Dau Technology Service Joint Stock Company. In February 2020, he joined MSB and held the position of Chief Marketing Officer.

Ms. NGUYEN HA THANH
Chief Operating Officer
Master of Business Administration,
Asian Institute of Technology

Mrs. Nguyen Ha Thanh has 27 years of experience at prestigious financial and banking institutions in Vietnam as Deputy Chief Operating Officer at Techcombank, Deputy CEO - Chief Operating Officer at Morgan Stanley Gateway Securities, Deputy CEO - Chief Operating Officer at Royal International Securities Company, Head of Credit Risk Management at Citibank, etc. By the end of December 2020, she joined MSB and has acted as Chief Operating Officer.

Ms. LE CAM THUY
Chief Risk Officer
Master of Business Administration

Ms. Le Cam Thuy has over 15 years of experience in the banking and finance industry including 13 years at MSB and has been trusted with many key managerial positions such as Deputy Chief Risk Officer, Head of Risk analytics and model analysis at MSB and Head of Risk Management Department at SHB. With her experience and profound expertise on risk management system of MSB. Ms. Le Cam Thuy was appointed Chief Risk Officer in March 2022.

Mr. NGUYEN NGOC CUONG
Chief Human Resource Officer
Master of Business Administration,
National Economics University,
Vietnam

Mr. Nguyen Ngoc Cuong joined MSB in 2007 and held many managerial positions from 2009 to 2012 such as Head of Human Resource Management, Head of Talent Development Strategy Department, Deputy Head of Salary and Remuneration. In 2012, he worked at M-Talent Human Resource Management Joint Stock Company as Head of HR Strategy Center and then Deputy Chief Executive Officer of M-Talent in 2015. In January 2020, he was appointed Chief Human Resource Officer at MSB.

Change in the Management Board in 2022

On April 12, 2022, MSB appointed Ms. Dinh Thi To Uyen and Ms. Nguyen Thi My Hanh as Deputy Chief Executive Officer. Ms. Dinh Thi To Uyen was appointed as Deputy Chief Executive Officer cum Head of Strategy Division. Ms. Nguyen Thi My Hanh was appointed as Deputy Chief Executive Officer cum Head of Retail Banking. These appointments are a part of key leadership planning roadmap in order to overhaul leadership apparatus to meet the growth demand and growth strategy of the bank.

In April 2022, MSB appointed Mr. Hoang Viet Phuong as Head of Strategic Customers Division. On December 30, 2022, the Board of Directors appointed Mr. Hoang Viet Phuong as Deputy Head of Retail Banking. Mr. Nguyen Viet Son was appointed to supersede Mr. Hoang Viet Phuong to be Head of Strategic Customers Division since December 30, 2022.

TRANSACTIONS, REMUNERATION, AND PERKS FOR THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISORS

Pay, bonus, remuneration, and other perks

Remuneration for the BOD, BoS, and CEO was paid in accordance with MSB’s regulation on remuneration and the AGM’s resolutions in 2021. Refer to page 141, 2022 consolidated financial report - notes 45 “Transaction of stakeholders” for details of pay, bonus, remuneration, and other perks for the BOD, BoS and CEO.

Share transactions of internal shareholders

Refer to Appendix 5 for details of share transactions of internal shareholders. Share transactions of internal shareholders and their related persons are disclosed in 2022 Corporate Governance Report of MSB ^(*).

Agreements or transactions with internal shareholders

Refer to Appendix 3 for details of agreements or transactions with internal shareholders. Transactions between MSB and related persons, or between MSB and major shareholders, internal shareholders, related persons of internal shareholders are disclosed in 2022 Corporate Governance Report of MSB ^(*).

Implementation of corporate governance regulations

MSB has duly and fully implemented corporate governance according to statutory regulations.

^(*) Visit the link to read the report:
https://www.msb.com.vn/documents/20121/2148328/20230302++MSB++Dinh+chinh+Bao+cao+Quan+tri+MSB+2022++ban+che+thong+tin+ca+nhan.pdf/517c27df-7896-f25a-a037-b6ada75a429a?_t=1677731650859



**Vietnam Maritime Commercial Joint Stock Bank
Consolidated financial statements
For the year ended 31 December 2022**

Vietnam Maritime Commercial Joint Stock Bank GENERAL INFORMATION

THE BANK

Vietnam Maritime Commercial Joint Stock Bank (“the Bank”) is a joint stock commercial bank incorporated and registered in the Socialist Republic of Vietnam on 8 June 1991 under Banking Operating License No. 0001/NH-GP issued by the State Bank of Vietnam (“SBV”), which was amended in accordance with Decision No. 45/QĐ-NHNN dated 09 January 2023 with the operating duration of 99 years. The Bank is operating under Business Registration Certificate No. 0200124891 with the 25th amended Business Registration dated 28 November 2022.

The current principal activities of the Bank are to perform banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; making short, medium and long-term loans to organizations and individuals based on the nature and capability of the Bank’s capital; conducting foreign exchange transactions; international trade finance services; discounting of commercial papers, bonds and other valuable papers; conducting payments and treasury services; performing capital contributions, share purchases, securities investments and other banking services as approved by the SBV.

Location and operational network

The Bank’s Head Office is located at 54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi, Vietnam.

As at 31 December 2022, the Bank has one (01) Head Office, sixty-two (62) branches, two hundred and one (201) transaction offices nationwide (as at 31 December 2021, the Bank has one (01) Head Office, sixty-two (62) branches, two hundred and one (201) transaction offices nationwide).

BOARD OF DIRECTORS

Members of the Board of Directors of the Bank during the year and at the date of this report are as follows:

Name	Position
Mr. Tran Anh Tuan	Chairman
Ms. Nguyen Thi Thien Huong	Vice - Chairman
Mr. Nguyen Hoang An	Vice - Chairman
Mr. Nguyen Hoang Linh	Member
Mr. Tran Xuan Quang	Member
Ms. Le Thi Lien	Independent Member <i>(Disappointed on 25 April 2022)</i>
	Member <i>(Appointed on 25 April 2022)</i>
Mr. Ta Ngoc Da	Independent Member <i>(Appointed on 25 April 2022)</i>

BOARD OF SUPERVISION

Members of the Board of Supervision of the Bank during the year and at the date of this report are as follows:

Name	Position
Ms. Pham Thi Thanh	Head of the Board of Supervision
Ms. Chu Thi Dam	Member
Ms. Le Thanh Ha	Member

MANAGEMENT

Members of the Management of the Bank during the year and at the date of this report are as follows:

Name	Position
Mr. Nguyen Hoang Linh	Chief Executive Officer
Ms. Nguyen Huong Loan	Deputy Chief Executive Officer - Head of Financial Institution Banking Division
Mr. Nguyen The Minh	Deputy Chief Executive Officer - Head of Corporate Banking Division
Ms. Nguyen Thi My Hanh	Deputy Chief Executive Officer - Head of Retail Banking Division <i>(Appointed on 12 April 2022)</i>
Ms. Dinh Thi To Uyen	Deputy Chief Executive Officer - Head of Strategy Division <i>(Appointed on 12 April 2022)</i>
Mr. Oliver Schwarzhaupt	Deputy Chief Executive Officer - Chief Risk Officer <i>(Disappointed on 07 March 2022)</i>
Ms. Le Cam Thuy	Chief Risk Officer <i>(Appointed on 07 March 2022)</i>
Mr. Hoang Viet Phuong	Deputy Head of Retail Banking Division <i>(Appointed on 30 December 2022)</i>
	Head of Strategic Corporate Banking Division <i>(Disappointed on 30 December 2022)</i>
Mr. Bui Duc Quang	Head of Credit Management Banking Division
Ms. Nguyen Thi Thu Hang	Chief Financial Officer
Mr. Nguyen Quoc Khanh	Chief Technology Officer
Mr. Nguyen Ngoc Cuong	Chief Human Resources Officer
Ms. Lai Thanh Mai	Head of Legal and Compliance Division
Mr. Duong Ngoc Dung	Chief Marketing Officer
Ms. Nguyen Ha Thanh	Chief Operating Officer
Mr. Samuel Anthony Dotro	Head of Digital Transformation Division
Mr. Nguyen Viet Son	Head of Strategic Corporate Banking Division <i>(Appointed on 30 December 2022)</i>

LEGAL REPRESENTATIVE

The legal representative of the Bank during the year and at the date of this report is Mr. Nguyen Hoang Linh – Chief Executive Officer.

AUDITORS

The auditors of the Bank are Ernst & Young Vietnam Limited.

Vietnam Maritime Commercial Joint Stock Bank REPORT OF MANAGEMENT

Management of Vietnam Maritime Commercial Joint Stock Bank is pleased to present this report and the consolidated financial statements of the Bank and its subsidiaries (“the Bank”) as at 31 December 2022 and for the year then ended.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management of the Bank is responsible for ensuring that the consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries, the consolidated results of their operations and their consolidated cash flows for the year. In preparing these consolidated financial statements, Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures be disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Bank and its subsidiaries will continue their business.

Management of the Bank is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Bank and its subsidiaries and ensuring that the accounting records comply with the applied accounting system. Management is also responsible for safeguarding the assets of the Bank and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management of the Bank does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2022, the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of Management

Mr. **Nguyen Hoang Linh**
Chief Executive Officer



INDEPENDENT AUDITORS’ REPORT

Reference: 60755035/66906453-HN



To: **The Shareholders of
Vietnam Maritime Commercial Joint Stock Bank**

We have audited the accompanying consolidated financial statements of Vietnam Maritime Commercial Joint Stock Bank (“the Bank”) and its subsidiaries, as prepared on 06 March 2023 and set out on pages 6 to 72, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and the consolidated cash flow statement for the year then ended and the notes thereto.

Management’s responsibility

Management of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of consolidated financial statements, and for such internal control as Management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Bank’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Bank and its subsidiaries as at 31 December 2022, and of the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to preparation and presentation of consolidated financial statements.

Ernst & Young Vietnam Limited

Nguyen Phuong Nga
Deputy General Director
Audit Practising Registration
Certificate No.0763-2019-004-1

Hoang Thi Hong Minh
Auditor
Audit Practising Registration
Certificate No.0761-2023-004-1

Hanoi, Vietnam
07 March 2023

	Notes	31 December 2022 VND million	31 December 2021 VND million
ASSETS			
Cash, gold and gemstones	5	1,393,551	1,524,098
Balances with the State Bank of Vietnam (“SBV”)	6	3,689,730	3,056,674
Due from banks	7	39,243,600	33,441,936
Placements with other credit institutions (“CIs”)		29,363,640	19,909,194
Loans to other CIs		9,879,960	13,532,742
Securities held for trading	8	21,675	23,487
Securities held for trading		39,287	39,287
Provision for securities held for trading		(17,612)	(15,800)
Derivative financial instruments	9	446,344	-
Loans to customers		119,212,621	99,875,801
Loans to customers	10	120,643,542	101,562,609
Provision for credit losses of loans to customers	11	(1,430,921)	(1,686,808)
Investment securities	12	31,534,742	48,226,133
Available-for-sale securities		31,554,087	48,257,483
Provision for investment securities		(19,345)	(31,350)
Long-term investments	13	10,036	10,036
Other long-term investments		10,036	10,036
Fixed assets		382,873	311,581
Tangible fixed assets	14	153,330	133,753
Cost		606,147	625,105
Accumulated depreciation		(452,817)	(491,352)
Intangible fixed assets	15	229,543	177,828
Cost		618,177	515,078
Accumulated amortization		(388,634)	(337,250)
Other assets	16	16,840,686	17,195,677
Receivables	16.1	10,881,321	10,122,841
Interest and fee receivables	16.2	2,808,476	2,769,866
Deferred tax assets	16.3	50	61
Other assets	16.4	3,218,269	4,545,971
- In which: Goodwill	17	25,106	35,088
Provision for other assets	16.5	(67,430)	(243,062)
TOTAL ASSETS		212,775,858	203,665,423

	Notes	31 December 2022 VND million	31 December 2021 VND million
LIABILITIES			
Borrowings from the Government and the SBV	18	1,014,560	1,017,253
Deposits and borrowings from the Government and the SBV		1,014,560	1,017,253
Due to banks	19	50,374,160	68,035,603
Deposits from other CIs		29,339,865	34,078,939
Borrowings from other CIs		21,034,295	33,956,664
Customer deposits	20	117,120,779	94,616,419
Derivative financial instruments	9	-	76,833
Valuable papers issued	21	11,599,514	13,042,540
Other liabilities		6,012,847	4,838,990
Interest and fee payables	22.1	2,253,470	1,605,625
Other payables and liabilities	22.2	3,759,377	3,233,365
TOTAL LIABILITIES		186,121,860	181,627,638
OWNERS' EQUITY			
Capital		19,891,568	15,767,318
- Charter capital		19,857,500	15,275,000
- Capital expenditure fund		608	608
- Share premium		33,460	491,710
Reserves		1,896,036	1,276,973
Retained earnings		4,866,394	4,993,494
TOTAL OWNERS' EQUITY	24	26,653,998	22,037,785
TOTAL LIABILITIES AND OWNERS' EQUITY		212,775,858	203,665,423
OFF-STATEMENT OF FINANCIAL POSITION ITEMS			
1. Credit guarantees	40	33,980	70,591
2. Foreign exchange commitments	40	223,775,857	241,920,764
2.1 Foreign exchange commitments - buy		1,408,572	5,288,413
2.2 Foreign exchange commitments - sell		1,407,285	5,297,947
2.3 Swap contracts		220,960,000	231,334,404
3. Letters of credit	40	9,141,549	9,529,543
4. Other guarantees	40	20,444,318	15,331,738
5. Other commitments	40	16,451,969	8,434,389
6. Uncollected interests and fee receivables	41	779,182	2,042,257
7. Bad debts written off	42	13,624,430	11,446,287
8. Other assets and documents	43	114,866,183	106,062,730

Prepared by:

Ms. Duong Thi Thu Ha
Financial Reporting Manager

Hanoi, Vietnam
06 March 2023

Reviewed by:

Ms. Phung Thuy Nhung
Chief Accountant

Approved by:
 Approved by:
NGÂN HÀNG
THƯƠNG MẠI CỔ PHẦN
HÀNG HẢI
VIỆT NAM
Mr. Nguyen Hoang Linh
Chief Executive Officer

	Notes	2022 VND million	2021 VND million
Interest and similar income	25	13,252,114	10,338,591
Interest and similar expenses	26	(4,930,323)	(4,122,347)
Net interest and similar income		8,321,791	6,216,244
Fee and commission income		1,605,101	3,248,448
Fee and commission expenses		(492,637)	(375,009)
Net fee and commission income	27	1,112,464	2,873,439
Net gains from trading of foreign currencies	28	1,000,441	382,764
Net gains/(losses) from trading securities	29	(2,028)	2,031
Net gains from investment securities	30	683,122	349,636
Other operating income		760,999	1,254,834
Other operating expenses		(1,183,995)	(592,242)
Net gains/(losses) from other operating activities	31	(422,996)	662,592
Income from capital contribution, share purchase	32	880	101,536
Operating expenses	33	(4,427,964)	(3,931,913)
Net profit before provision for credit losses		6,265,710	6,656,329
Credit loss expenses	34	(478,507)	(1,567,866)
PROFIT BEFORE TAX		5,787,203	5,088,463
Current corporate income tax ("CIT") expenses	35	(1,170,979)	(1,053,738)
Deferred CIT expenses		(11)	15
Total CIT expenses		(1,170,990)	(1,053,723)
PROFIT AFTER TAX		4,616,213	4,034,740
Basic earnings per share (VND/share)	36	2,252	2,069

Prepared by:

Ms. Duong Thi Thu Ha
Financial Reporting Manager

Hanoi, Vietnam
06 March 2023

Reviewed by:

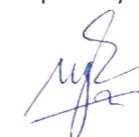
Ms. Phung Thuy Nhung
Chief Accountant

Approved by:
 Approved by:
NGÂN HÀNG
THƯƠNG MẠI CỔ PHẦN
HÀNG HẢI
VIỆT NAM
Mr. Nguyen Hoang Linh
Chief Executive Officer

	Notes	2022 VND million	2021 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar receipts		13,219,183	10,209,053
Interest and similar payments		(4,282,479)	(4,069,141)
Net fee and commission receipts		1,106,784	2,873,090
Net receipts from trading of foreign currencies, gold and securities		1,671,342	1,094,564
Other operating expenses		(1,491,064)	(682,252)
Recoveries from bad debts previously written-off		448,922	807,680
Payments of operating and personnel expenses		(3,844,731)	(2,854,006)
Corporate income tax paid	35	(573,278)	(990,807)
Net cash flows from operating activities before changes in operating assets and liabilities		6,254,679	6,388,181
Changes in operating assets		1,083,505	(24,243,394)
(Increase)/Decrease in due from banks		3,652,782	(11,285,330)
Decrease/(Increase) in trading securities		17,302,758	7,587,931
(Increase)/Decrease in derivative financial instruments		(446,344)	-
Increase in loans to customers		(19,082,631)	(22,222,029)
Utilization of provision to write off (loans to customers, securities, long-term investments, and other receivables)		(912,144)	(1,966,784)
Decrease/(Increase) in other assets		569,084	3,642,818
Changes in operating liabilities		3,390,203	22,232,135
Increase/(Decrease) in borrowings from the Government and the SBV		(2,693)	996,520
Increase in due to banks		(17,661,444)	12,009,880
Increase in customer deposits		22,504,361	7,421,611
Increase in valuable papers issued (excluding valuable papers issued for financing activities)		(1,443,026)	1,411,066
Increase in derivative financial instruments		(76,833)	24,802
Increase/(Decrease) in other liabilities		69,838	368,434
Payments from reserves		-	(178)
Net cash flows from operating activities		10,728,387	4,376,922

	Notes	2022 VND million	2021 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(174,712)	(100,466)
Proceeds from disposal of fixed assets		1,762	3,390
Proceeds from investment, capital contribution in other units		-	291,815
Proceeds from dividends and profits distributed from long-term investments and capital contributions		880	-
Net cash flows (used in)/from investing activities		(172,070)	194,739
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in share capital from capital contribution and/or issue of shares		-	24
Proceeds from sales of treasury shares		-	1,132,365
Net cash flows from financing activities		-	1,132,389
Net cash flows during the year		10,556,317	5,704,050
Cash and cash equivalents at the beginning of the year		24,489,966	18,785,916
Cash and cash equivalents at the end of the year	37	35,046,283	24,489,966

Prepared by:



Ms. Duong Thi Thu Ha
Financial Reporting Manager

Hanoi, Vietnam
06 March 2023

Reviewed by:



Ms. Phung Thuy Nhung
Chief Accountant

Approved by:

Mr. Nguyen Hoang Linh
Chief Executive Officer

1. THE BANK INFORMATION

Vietnam Maritime Commercial Joint Stock Bank (“the Bank”) is a joint stock commercial bank incorporated and registered in the Socialist Republic of Vietnam.

The Bank was established in accordance with Banking Operating License No. 0001/NH-GP issued by the State Bank of Vietnam (“SBV”) on 8 June 1991 which was amended in accordance with Decision No. 45/QD-NHNN dated 09 January 2023 with the operating duration of 99 years. The Bank is operating under Business Registration Certificate No. 0200124891 with the 25th amended Business Registration dated 28 November 2022.

The current principal activities of the Bank are to perform banking services including mobilizing and receiving short, medium and long-term deposits from organizations and individuals; making short, medium and long-term loans to organizations and individuals based on the nature and capability of the Bank’s capital; conducting foreign exchange transactions; international trade finance services; discounting of commercial papers, bonds and other valuable papers; conducting payments and treasury services; performing capital contributions, share purchases, securities investments and other banking services as approved by the SBV.

Charter capital

As at 31 December 2022, charter capital of the Bank was VND 19,857,500 million (31 December 2021: VND 15,275,000 million).

Location and operational network

The Bank’s Head Office is located at 54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi, Vietnam.

As at 31 December 2022, the Bank has one (01) Head Office, sixty-two (62) branches, two hundred and one (201) transaction offices nationwide (as at 31 December 2021, the Bank has one (01) Head Office, sixty-two (62) branches, two hundred and one (201) transaction offices nationwide).

Subsidiaries

As at 31 December 2022, the Bank had one (01) subsidiary as follows:

No.	Company name	Enterprise Registration Certificate	Business sector	% owned by the Bank
1	Finance Company Limited for Community (“FCCOM”)	0301516782 initially issued on 1 December 2010 and amended for the 5th time on 22 April 2021 by the Hanoi Department of Planning and Investments	Other financial activities	100%

Employees

Total number of employees of the Bank as at 31 December 2022 was 6,317 persons (as at 31 December 2021: 5,190 persons).

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

2.1 Fiscal year

The Bank’s fiscal year starts on 1 January and ends on 31 December.

2.2 Accounting currency

The currency used in the preparation of the consolidated financial statements of the Bank is Vietnam dong (“VND”). For purpose of preparing the consolidated financial statements as at 31 December 2022, all amounts are rounded to the nearest million and presented in VND million. The presentation makes no impact on readers’ view of the consolidated financial position, consolidated operational results and consolidated cash flows of the Bank and its subsidiaries.

3. ACCOUNTING STANDARDS AND SYSTEM

3.1 Statement of compliance

Management of the Bank confirms that the accompanying consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

3.2 Basis of preparation

The consolidated financial statements of the Bank are prepared in accordance with the Accounting System applicable to Credit Institutions required under Decision No. 479/2004/QD-NHNN issued on 29 April 2004; Circular No. 10/2014/TT-NHNN dated 20 March 2014; Circular No. 22/2017/TT-NHNN dated 29 December 2017; and Circular No. 27/2021/TT-NHNN dated 31 December 2021 amending and supplementing Decision No. 479/2004/QD-NHNN; the financial reporting regime applicable to credit institutions required under Decision No. 16/2007/QD-NHNN dated 18 April 2007; Circular No. 49/2014/TT-NHNN amending and supplementing a number of articles of Decision No. 16/2007/QD-NHNN and the chart of account system for Credit Institutions issued in connection with Decision No. 479/2004/QD-NHNN by the Governor of the State Bank of Vietnam; Decree No. 93/2017/ND-CP dated 7 August 2017; Circular No. 16/2018/TT-BTC dated 7 February 2018 on guidelines for financial regulations applied to credit institutions and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

Items that are not presented in these consolidated financial statements regarding the financial reporting regime for credit institutions as required by Decision No. 16/2007/QD-NHNN dated 18 April 2007 and Circular No. 49/2014/TT-NHNN dated 31 December 2014 issued by the SBV indicate nil balance.

3.3 Basis of assumptions and uses of estimates

The preparation of the consolidated financial statements requires Management of the Bank to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provision. Such estimates are necessarily based on assumptions involving varying degrees of subjectivity and uncertainty and actual results may differ resulting in future changes in such estimates and assumptions.

3.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the year ended 31 December 2022.

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

3. ACCOUNTING STANDARDS AND SYSTEM (continued)

3.4 Basis of consolidation (continued)

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

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

Non-controlling interest represents the portion of net results of operations and net assets are not owned, by the Bank and are presented separately in the consolidated statement of profit or loss and within equity in the consolidated statement of financial position.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Changes in accounting policies and disclosures

The accounting policies adopted by the Bank in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Bank's consolidated financial statements for the year ended 31 December 2021, except for the following changes in the accounting policy:

Circular No. 24/2022/TT-BTC ("Circular 24") amending and supplementing several articles of Circular No. 48/2019/TT-BTC ("Circular 48") issued by the Ministry of Finance on 8 August 2019 guides the appropriation and use of provisions for devaluation of inventories, loss of investments, bad debts and warranties for products, goods, services and construction works built at enterprises.

Circular 24 takes effect on 25 May 2022, amending and supplementing regulations on the subjects of provisioning, according to which:

- Subjects of provision are securities issued by domestic economic organizations in accordance with the law, owned by enterprises, listed or registered for trading on the domestic stock market, are freely traded on the market and the actual market price of securities at the time of making the annual financial statements is lower than the value of the securities investment currently recorded in the accounting books.
- Government bonds, Government-guaranteed bonds and municipal bonds are exempted from such provisioning requirement.

Circular No. 27/2021/TT-NHNN ("Circular 27") amending and supplementing several articles of the chart of account system for credit institutions issued in connection with Decision No. 479/2004/QĐ-NHNN dated 29 April 2004 ("Decision 479") and the financial reporting regime applicable to credit institutions required under Decision No. 16/2007/QĐ-NHNN dated 18 April 2007 by the Governor of the State Bank of Vietnam ("Decision 16").

The State Bank of Vietnam issued Circular 27 on 31 December 2021, effective on 1 April 2022, to amend and supplement several articles of the chart of account system for credit institutions and the financial reporting regime applicable to credit institutions issued in connection with Decision 479 and Decision 16. The main changes of Circular 27 are as follows:

- Amending and supplementing a number of accounts and corresponding accounting contents in the chart of account system for credit institutions;
- Amending and supplementing a number of financial statement items and some notes to the financial statements in forms B02/TCTD-HN, B03/TCTD-HN, B05/TCTD-HN;
- Replacing the names of the financial reporting forms, replacing and removing some other phrases previously prescribed in Decision 16.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, gold, balances with the SBV, demand deposits and placements with other credit institutions with an original maturity of three months or less from the transaction date, securities with recovery or maturity of three months or less from date of purchase which can be converted into a known amount of cash and do not bear the liquidity risk as at the date of these consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Due from banks

Due from banks are presented at the principal amounts outstanding at year end.

The classification of credit risk for due from banks and the corresponding provision for credit losses is made in accordance with Circular No. 11/2021/TT-NHNN issued by the SBV on 30 July 2021 guiding the classification of assets, the level and method of risk provisioning and the use of provisions against credit risks in the operations of CIs and foreign bank branches ("Circular 11"). Accordingly, the Bank makes a specific provision for placements with (except for current accounts at other CIs, foreign bank's branches in Vietnam) and loans to other CIs according to the method as described in Note 4.5.

According to Circular 11, the Bank is not required to make a general provision for due from banks.

4.4 Loans to customers and debts purchased

Loans to customers are presented at the principal amounts outstanding at year end.

Provision for credit losses of loans to customers is accounted and presented in a separate line in the consolidated statement of financial position.

Short-term loans have maturity of less than or equal to one year from disbursement date. Medium-term loans have maturity from one to five years from disbursement date. Long-term loans have maturity of more than five years from disbursement date.

Debts purchased are disclosed at cost which is the purchase price of the debts.

Loan classification and provision for credit losses are made according to Circular 11 as presented in Note 4.5.

4.5 Classification, level and method for making provision for credit losses

Debt classification

The classification of due from banks (except for current accounts), direct and entrusted investments in unlisted corporate bonds, loans to customers, debts purchased and entrustments for credit granting (collectively called "debts") is made in compliance with Article 10 of Circular 11.

Specific provision

Specific provision as at 31 December is made based on the principal balance less discounted value of collaterals multiplied by provision rates which are determined based on the debt classification results as at 31 December. The specific provision rates for each group are presented as follows:

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Classification, level and method for making provision for credit losses (continued)

Specific provision (continued)

Group	Description	Provision rate
1	Current (a) Current debts are assessed as fully and timely recoverable for both principals and interests; or (b) Debts are overdue for a period of less than 10 days and assessed as fully recoverable for both overdue principals and interests, and fully and timely recoverable for both remaining principals and interests.	0%
2	Special mention (a) Debts are overdue for a period of 90 days or less, other than those specified in Point (b) of Loan group 1; or (b) Undue debts whose repayment terms are restructured for the first time.	5%
3	Sub- standard (a) Debts are overdue for a period of between 91 days and 180 days; or (b) Undue debts whose repayment terms are extended for the first time; or (c) Debts which interests are exempted or reduced because customers do not have sufficient capability to repay all interests under credit contracts; or (d) Debts under one of the following cases which have not been recovered in less than 30 days from the date of the recovery decision: • Debts made in compliance with Clause 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or • Debts made in compliance with Clause 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or • Debts made in compliance with Clauses 1, 2, 5 under Article 128 of Law on Credit Institutions. (e) Debts are required to be recovered according to regulatory inspection conclusions. (f) Debts are required to be recovered as follows the before-due recovery decision of the Bank due to customers' breach of the agreement with the Bank but still outstanding with an overdue for a period of less than 30 days from the date of recovery decision; or (g) At the request of the SBV based on regulatory inspection, supervision results and relevant credit information.	20%
4	Doubtful (a) Debts are overdue for a period of between 181 days and 360 days; or (b) Debts whose repayment terms are restructured for the first time but still overdue for a period of less than 90 days under that restructured repayment term; or (c) Debts whose repayment terms are restructured for the second time; or (d) Debts are specified in Point (d) of Loan group 3 and overdue for a period of between 30 days and 60 days after decisions of recovery have been issued; or (e) Debts are required to be recovered according to regulatory inspection conclusions but still outstanding with an overdue period up to 60 days since the recovery date as required by regulatory inspection conclusions; or (f) Debts are required to be recovered as follows the before-due recovery decision of the Bank due to customers' breach of the agreement with the Bank but still outstanding with an overdue for a period of 30 to 60 days from the date of recovery decision; or (g) At the request of the SBV based on regulatory inspection, supervision results and relevant credit information.	50%
5	Loss (a) Debts are overdue for a period of more than 360 days; or (b) Debts whose 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) Debts whose repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts whose repayment terms are restructured for the third time or more; or (e) Debts are specified in Point (d) of Loan group 3 and overdue for a period of more than 60 days after decisions on recovery have been issued; or (f) Debts are required to be recovered under regulatory inspection conclusions but still outstanding with an overdue period of more than 60 days since the recovery date as required by regulatory inspection conclusions; or (g) Debts are required to be recovered as follows the before-due recovery decision of the Bank due to customers' breach of the agreement with the Bank but still outstanding with an overdue for a period of more than 60 days from the date of recovery decision; or (h) Debts of credit institutions under special control as announced by the SBV, or debts of foreign bank branches whose capital and assets are blocked. (i) At the request of the SBV based on regulatory inspection, supervision results and relevant credit information.	100%

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Classification, level and method for making provision for credit losses (continued)

Specific provision (continued)

If a customer has more than one debt with the Bank and any of the outstanding debts are classified into a higher risk group, the entire remaining debts of such customer should be classified into the corresponding higher risk group.

When the Bank participates in a syndicated loan as a participant, except for the case where the Bank provides a syndicated loan with entrusted capital from a third party that this third party commits to be responsible for any risks occurred, it should classify loans (including syndicated loans) of the customer into a higher of the risk group assessed by the leading bank and by the Bank.

If a customer is classified by the Bank into the risk group which is lower than the risk group provided by Credit Information Center ("CIC"), the Bank is required to adjust the risk group of such customer following the risk group provided by CIC.

The Bank also applies regulations on rescheduling the repayment term and keeping the debt group unchanged for loans that meet the requirements of Circular No. 01/2020-TT-NHNN ("Circular 01") issued by the SBV on 13 March 2020, Circular No. 03/2022-TT-NHNN ("Circular 03") dated 2 April 2022 and Circular No. 14/2021/TT-NHNN ("Circular 14") dated 7 September 2021 amending and supplementing several articles of Circular 01 issued by the SBV, providing for credit institutions and foreign bank branches to restructure the repayment term, exempt or reduce interest and fees, maintaining the debt group to support customers affected by the Covid-19 epidemic. For the debt balance whose repayment term is restructured, interest is exempted or reduced, the group of overdue debts remains unchanged according to the restructured term, and the Bank restructures the repayment term and keeps the same debt group, according to current regulations, the Bank shall classify debts and make provision for risks in accordance with Circular 11.

Circular 03 requires the Bank to make specific provisions for customers whose outstanding balances are restructured, repayment terms, interest exemption and reduction are classified into two types of debt as follows: (1) debt classification remains the same as before the restructuring, interest exemption and reduction; (2) debt classification according to the State Bank's regulations on debt classification in credit institutions' operations. In case the difference in the amount of provision that needs to be made by type of debt (2) compared to type of debt (1) is positive, the Bank will make additional specific provisions as follows:

Additional provision	Deadline
At least 30% of the additional specific provision	By 31 December 2021
At least 60% of the additional specific provision	By 31 December 2022
100% of the additional specific provision	By 31 December 2023

From 1 January 2024, based on regulations of the SBV regarding risk provisioning in the operations of credit institutions, the Bank makes provision for all outstanding loans and off-statement of financial position commitments of customers, including outstanding loans which the repayment term is restructured, interest is exempted or reduced, debt classification is retained under Circular 03.

General provision

According to Circular 11, general provision as at 31 December is made at 0.75% of total outstanding loans as at 31 December for debts from Group 1 to Group 4 except for the following cases:

- Placements with other CIs, foreign bank branches in Vietnam and foreign CIs;
- Loans to and purchases of valuable papers issued by other CIs, foreign bank branches in Vietnam;
- Promissory notes and bills; certificates of deposit, bonds issued by other CIs and foreign bank branches; and
- Repurchases of government bonds.

Bad debts written off

According to Circular 11, loans to customers are written off against the provision if they are classified in Group 5 or if the borrower is a dissolved, bankrupt organization or individual who is dead or missing.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Securities held for trading

Securities held for trading include equity securities acquired and held for the purpose of trading.

Equity securities are initially recognized at cost at the purchase date and subsequently presented at cost.

Securities held for trading are subject to impairment review at the end of fiscal year. Provision for diminution in value of securities is made when the carrying value is higher than the market value in compliance with Article 5, Circular No. 48/2019/TT-BTC issued by the Ministry of Finance on 8 August 2019 (“Circular 48”). In case market prices of securities are not available or cannot be determined reliably, no provision is calculated. Provision is recognized in “*Net gains/(losses) from trading securities*” on the consolidated statement of profit or loss.

In case securities are not listed on the stock exchanges or not registered for the unlisted public company market (hereinafter referred to as “unlisted securities”), the Bank determines the amount of provisions based on the separate financial statements of economic entities receiving capital contribution at the same time as the Bank’s annual reporting date, provision for each investment is calculated by the following formula:

$$\text{Provision for each investment} = \text{Proportion of actual charter capital contribution (\%) of the Bank at the economic entity receiving contributed capital at the time of provisioning} \times \left\{ \begin{array}{l} \text{Actual investment capital of} \\ \text{owners of the economic entity} \\ \text{receiving contributed capital} \\ \text{at the time of provisioning} \end{array} \right. - \left. \begin{array}{l} \text{Owners' equity of the economic} \\ \text{entity receiving contributed} \\ \text{capital at the time of provisioning} \end{array} \right\}$$

Gains or losses from sales of securities held for trading are recognized in the consolidated statement of profit or loss. Securities held for trading are derecognized when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards of ownership of these securities.

4.7 Available-for-sale securities

Available-for-sale securities include debt and equity securities that are acquired by the Bank for investment and available-for-sale purposes, not regularly traded but can be sold whenever there is a benefit. For equity securities, the Bank is also neither the founding shareholder nor the strategic partner and does not have the ability to make certain influence on establishing and making the financial and operating policies of the investees through a written agreement on assignment of its personnel to the Board of Directors/Management.

Equity securities are initially recognized at cost at the purchase date and subsequently presented at cost.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Available-for-sale securities (continued)

Provision for diminution in value of securities (except for unlisted corporate bonds and government bonds, government-guaranteed bonds, local government bonds) is made when the carrying value is higher than the market value in compliance with Article 5, Circular 48 and Circular 24. In case market prices of securities are not available or cannot be determined reliably, no provision is calculated. Provision is recognized in the “*Net gains/(losses) from investment securities*” on the consolidated statement of profit or loss.

Provision for credit losses of corporate bonds which are not listed on the stock market or not registered on the unlisted public company market is made in accordance with Circular 11 as described in *Note 4.5*.

Investment securities are derecognized when the rights to receive cash flows from these securities are terminated or the Bank transfers substantially all the risks and rewards of ownership of these securities.

4.8 Re-purchase and reverse-repurchase contracts

Securities sold under agreements to repurchase at a specific date in the future (repos) are still recognized in the consolidated financial statements. The corresponding cash received from these agreements is recognized in the consolidated statement of financial position as a borrowing and the difference between the sale price and repurchase price is amortized in the consolidated statement of profit or loss over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

Conversely, securities purchased under agreements to resell at a specific date in the future are not recognized in the consolidated financial statements. The corresponding cash paid under these agreements is recognized as an asset in the consolidated statement of financial position and the difference between the purchase price and resale price is amortized in the consolidated statement of profit or loss over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract.

4.9 Other long-term investments

Other long-term investments are investments in other entities in which the Bank holds less than or equal to 11% of voting rights and securities of these entities are not listed on the stock exchanges. These investments are initially recorded at cost at the transaction date.

Provision for diminution in the value of long-term investments is made when there is reliable evidence of the decrease in value of those investments at year end as stipulated in Article 5, Circular 48.

Provision is reversed if the recoverable amount of the investments increases after making provision, to the extent that the carrying value of these investments does not exceed the carrying value of this investment assuming that no allowance has been recorded.

Increase or decrease in provision for long-term investments is recognized in “*Operating expenses*” on the consolidated statement of profit or loss.

4.10 Fixed assets

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

The cost of a fixed asset comprises its purchase price plus any directly attributable cost of bringing the asset to working condition for its intended use. Costs related to additions, improvements and renewals are capitalized while expenditures for maintenance and repairs are charged to the consolidated statement of profit or loss when incurred.

When assets are sold or liquidated, their cost and accumulated depreciation are deducted from the statement of financial position item and any gains or losses resulting from their disposal are recorded to the consolidated statement of profit or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Depreciation and amortization

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

Buildings and structures	5 – 50 years
Machines and equipment	3 – 20 years
Means of transportation	6 – 30 years
Office equipment	3 – 10 years
Other tangible fixed assets	4 – 25 years
Computer software	3 – 20 years
Other intangible fixed assets	3 – 8 years

Land use rights granted by the Government with indefinite term are not amortized. Land use rights with definite term are amortized over the leased term or duration of use.

4.12 Receivables

Receivables are initially recognized at cost and subsequently presented at cost.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are undue yet the organization has fallen into bankruptcy, is under dissolution process or has absconded; or individual who is being prosecuted, detained, on trial or under sentence or is suffering from fatal diseases (with medical certificate) or has deceased or the debts requested for sentence yet are unenforceable due to individual escaping or the debts sued for debt collection yet are under suspension. Provision expenses for receivables classified as credit risk-bearing assets are recorded in “*Credit loss expenses*”, and provision expenses for other receivables are recorded in “*Operating expenses*” on the consolidated statement of profit or loss.

Provision for doubtful receivables is made in accordance with Circular 48 as follows:

<i>Overdue period</i>	<i>Provision rate</i>
From over six months up to one year	30%
From one to under two years	50%
From two to under three years	70%
From three years and above	100%

4.13 Prepaid expenses and expenses awaiting allocation

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated statement of financial position and amortized over the period for which the amount is paid or the period in which economic benefit is generated in relation to these expenses.

4.14 Operating lease

Rentals under operating lease are charged in the “*Operating expenses*” on the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Business combinations and goodwill

Business combinations are accounted for using the cost method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued by the acquirer in exchange for control of the acquiree and liabilities incurred or assumed at the date of business combination plus any cost directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination of the acquiree are measured initially at fair value at the date of business combination.

Goodwill acquired in a business combination is initially recognized at cost being the excess of the cost the business combination over the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statement of profit or loss. After initial recognition, goodwill is recognized at cost less any accumulated amortization. Goodwill is amortized on a straight-line basis over a period of ten (10) years.

4.16 Borrowings from the Government and the SBV

Borrowings from the Government and the SBV are recognized at cost.

4.17 Due to banks, customer deposits and valuable papers issued

Due to banks, customer deposits and valuable papers issued are presented at the principal amounts outstanding at year end.

At the date of initial recognition, expenses for bond issuance are deducted from principal amount of the bonds. The Bank then allocates these expenses into “*Interest and similar expenses*” on a straight-line basis according to the terms of the valuable papers.

4.18 Derivatives

The Bank enters in currency forward contracts and swap contracts to facilitate customers to transfer, modify or mitigate foreign exchange risk or other market risks, and also for the business purpose of the Bank.

Currency forward contracts

Currency forward contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates, and the notional amount of the contracts. Currency forward contracts are recognized at nominal value at the transaction date and are revalued periodically. Gains or losses from revaluation are recognized in the “*Impact of exchange rate fluctuation*” under “*Owners’ equity*” and will be transferred to the consolidated statement of profit or loss at the maturity date or at year end.

Swap contracts

Swap contracts are commitments to settle in cash on a pre-determined future date based on the difference between pre-determined exchange rates and the notional principal amount of the contracts or commitments to settle interest based on a floating rate or a fixed rate calculated on the notional amount and in a given period. Currency swap contracts are revalued periodically. Gains or losses from revaluation are recognized in “*Impact of exchange rate fluctuation*” under “*Owners’ equity*” and will be transferred to the consolidated statement of profit or loss at the maturity date or at year end.

Differences in interest rate swaps are recognized in the consolidated statement of profit or loss on an accrual basis.

4.19 Foreign currency transactions

According to accounting system of the Bank, all transactions are recorded in original currencies. Monetary assets and liabilities denominated in foreign currencies are translated into VND using exchange rates ruling at the consolidated statement of financial position date (*Note 49*). Income and expenses arising in foreign currencies during the year are translated into VND at rates ruling at the transaction dates. Foreign exchange differences arising from the translation of monetary assets and liabilities are recognized in the “*Impact of exchange rate fluctuation*” under “*Owners’ equity*” and will be transferred to the consolidated statement of profit or loss at year end.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 Payables and accruals

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Bank.

4.21 Capital and reserves

4.21.1 Ordinary shares

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

4.21.2 Share premium

On receipt of capital from shareholders, the difference between the issuance price and the par value of the shares is recorded as share premium in equity.

4.21.3 Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of tax effects, is recognized as a reduction from equity. Repurchased shares are classified as treasury shares under equity. When treasury shares are sold for reissue subsequently, cost of the reissued shares is determined on a weighted average basis. Any difference between the amount received and the cost of the shares reissued is presented within share premium.

4.21.4 Reserves

The Bank makes appropriation to reserves in accordance with current regulations and Resolution of the General Meeting of Shareholders or corresponding owners.

(i) Bank's reserves: Reserves are for specific purposes and appropriated from net profit after tax of the Bank at prescribed rates as below:

- Supplementary charter capital reserve: 5% of net profit after tax and does not exceed charter capital;
- Financial reserve: 10% of net profit after tax;
- Bonus and welfare funds are appropriated according to the Decision approved in the General Meeting of Shareholders;
- Other reserves: are to be made upon current regulations and decisions of General Meeting of Shareholders.

(ii) Subsidiaries' reserves

- Finance Company Limited For Community ("FCCOM"): According to Decree No. 93/2017/ND-CP, FCCOM is required to make statutory reserves before distribution of profits similar to the Bank.

4.22 Classification for off-balance-sheet commitments

Credit institutions shall classify guarantees, payment acceptances and irrevocable loan commitments with specific effective date (generally called "off-statement of financial position commitments") for management and monitoring of credit quality as follows the classification policy applied for debts as stated in Note 4.5. According to Circular 11, the Bank is not required to make provision for off-statement of financial position commitments.

4.23 Recognition of income and expenses

Interest income and expenses

Interest income and expenses are recognized in the consolidated statement of profit or loss on an accrual basis. Accrued interest income from debts which are classified into group 2 to 5 in compliance with Circular 11 and debts retained in group 1 in compliance with Circular 01, Circular 03 and Circular 14 will not be recognized in consolidated statement of profit or loss. Suspended interest income is reversed and monitored off-statement of financial position and recognized in the consolidated statement of profit or loss upon actual receipt.

Fee and commission income and expenses

Fee and commission income are recognized in the consolidated statement of profit or loss when the services are performed.

Fee and commission expenses are recognized in the consolidated statement of profit or loss when these expenses are incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.23 Recognition of income and expenses (continued)

Income from investment activities

Income from securities trading is recognized based on differences between selling price and cost of securities sold.

Cash dividend is recognized in the consolidated statement of profit or loss upon formation of cash dividend right.

Dividend paid in the form of common shares, bonus shares and right shares for existing shareholders, shares distributed from retained earnings are not recognized as an increment in investment value or income of the Bank. Only the quantity of shares is updated.

Dividends received in connection with the period before the investment is made are recognized as a decrease in carrying amount of the investment.

Income/expenses from debt trading

Income from debt trading is determined by the difference between the price of debts purchased or sold and their book value.

Book value of debts purchased and sold is the book value of the principal, interest and related financial obligations (if any) of debts recorded in the statement of financial position or off the statement of financial position at the date of debt purchase or sale; or the book value at the date of writing-off of debts; or the book value of debts written off previously at the date of debt purchase and sale.

Debt purchase and sale price are the sum of money to be paid by a debt purchaser to a debt seller under a debt purchase and sale contract.

4.24 Corporate income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from (or paid to) the taxation authorities – using the tax rates and tax laws applied and enacted at the consolidated statement of financial position date.

Current income tax is charged or credited to the consolidated statement of profit or loss except when it relates to items recognized directly to equity, in this case the current income tax is also recognized in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Bank to offset current tax assets against current tax liabilities and when the Bank intends to settle its current tax assets and liabilities on a net basis.

The Bank's tax reports are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to various interpretations, amounts reported in the interim consolidated financial statements could be changed at a later date upon final determination of the tax authorities.

Deferred tax

Deferred tax is provided on temporary differences at the consolidated statement of financial position date between the tax base of assets and liabilities and their carrying amount for the financial reporting purposes.

Deferred tax payables are recognized for temporary taxable differences.

Deferred tax assets are recognized for all deductible temporary differences, deductible amounts carried over subsequent periods of taxable losses and unused tax credits when it is probable that there will be sufficient taxable profit to use deductible temporary differences, taxable losses and tax credits. Deferred tax assets and deferred tax liabilities are determined on the basis of expected tax rate applied when assets are recovered, or liabilities are settled and on the basis of tax rate and tax laws which effective at year end.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.25 Employee benefits

4.25.1 Post-employment benefits

Post-employment benefits are paid to retired employees of the Bank by the Social Insurance Agency which belongs to the Ministry of Labor, Invalids and Social Affairs. The Bank is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 17.5% of an employee's basic monthly salary, salary-related allowance and other supplements. Other than that, the Bank has no further obligation relating to post-employment benefits.

4.25.2 Voluntary resignation benefits

The Bank has the obligation, under Article 46 of the Vietnam Labor Code No.45/2019/QH14 effective from 1 January 2021, to pay allowance arising from voluntary resignation of employees, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). From 1 January 2009, the average monthly salary used in this calculation is the average monthly salary of the latest six-month period up to the resignation date. Accordingly, the working time at the Bank to calculate the severance allowance is the total actual working time at the Bank minus (-) the time the employee has participated in unemployment insurance in accordance with the law on unemployment insurance, and the working time that has been paid off by employers for severance allowance.

4.25.3 Unemployment insurance

According to Circular No. 28/2015/TT-BLDTBXH providing guidelines for Article 52 of the Law on Employment and Decree No. 28/2015/ND-CP dated 12 March 2015 of the Government providing guidelines for the Law on Employment in term of unemployment insurance, the Bank is required to contribute to the unemployment insurance at the rate of 1% of salary and wage fund of unemployment insurance joiners and deduct 1% of monthly salary and wage of each employee to contribute to the unemployment insurance fund.

4.26 Related parties

Parties are considered to be related parties of the Bank if a party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Bank and other parties are under common control or under common significant influence. Related parties can be enterprises or individuals, including close family members of individuals who are related parties.

4.27 Segment report

A segment is the separate unit of the Bank which participates in providing relevant products and services (segments categorized by business sectors) or providing products and services in a certain economic environment (segments categorized by geographical regions). Each segment bears unique risks and gains different benefits. The fundamental segment report form of the Bank is based on business sectors.

4.28 Earnings per share

The Bank presents basic earnings per share for ordinary shares. Basic earnings per share amounts are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Bank (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

If the shares issued during the year only change the number of shares without changing the total equity, the Bank will adjust the weighted average number of ordinary shares currently circulated to the prior year presented on the consolidated financial statements, resulting in a corresponding adjustment of the opening balance of the basic earnings per shares.

4.29 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset financial assets against financial liabilities or vice-versa, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

5. CASH, GOLD AND GEMSTONES

	31 December 2022 VND million	31 December 2021 VND million
Cash in VND	878,133	940,958
Cash in foreign currencies	514,085	581,913
Gold	1,333	1,227
	1,393,551	1,524,098

6. BALANCES WITH THE STATE BANK OF VIETNAM ("SBV")

	31 December 2022 VND million	31 December 2021 VND million
Balances with the SBV		
- In VND	3,206,421	2,810,639
- In foreign currencies	483,309	246,035
	3,689,730	3,056,674

Balances with the SBV include current account and compulsory reserves. In accordance with the SBV's regulations, as at 31 December 2022, the Bank is required to maintain certain cash reserve with the SBV in the form of compulsory reserves as follow:

- Reserves are computed at 3.00% and 1.00% of customer deposits in VND with original maturities of less than 12 months and from 12 months respectively;
- Reserves are computed at 8.00% and 6.00% of customer deposits in foreign currencies with original maturities of less than 12 months and from 12 months respectively.

During the year, the Bank has maintained the compulsory reserve in accordance with the SBV's regulations.

7. DUE FROM BANKS

	31 December 2022 VND million	31 December 2021 VND million
Placements with other CIs	29,363,640	19,909,194
Demand deposits with other CIs	9,763,592	8,140,594
- In VND	8,985,314	7,812,447
- In foreign currencies	778,278	328,147
Term deposit with other CIs	19,600,048	11,768,600
- In VND	17,418,700	8,987,000
- In foreign currencies	2,181,348	2,781,600
Loans to other CIs	9,879,960	13,532,742
In VND	8,716,441	12,303,890
In foreign currencies	1,163,519	1,228,852
	39,243,600	33,441,936

In which, balance of term deposits with other CIs with an original maturity of ninety-two ("92") days or less as at 31 December 2022 is VND 19,600,048 million.

7. DUE FROM BANKS (continued)

Interest rates of due from banks at year end are as follows:

	31 December 2022 % per annum	31 December 2021 % per annum
Term deposits in VND	2.90 - 8.50	0.65 - 4.10
Term deposits in foreign currencies	2.00 - 4.80	0.05 - 0.20
Loans in VND	4.10 - 11.80	1.90 - 5.50
Loans in foreign currencies	3.00 - 6.38	0.50 - 1.77

Analysis of outstanding due from banks by quality at year end are as follows:

	31 December 2022 VND million	31 December 2021 VND million
Current	29,480,008	25,301,342
	29,480,008	25,301,342

8. SECURITIES HELD FOR TRADING

	31 December 2022 VND million	31 December 2021 VND million
Equity securities		
- Securities issued by local economic entities	39,287	39,287
Provision for diminution in value of securities held for trading	(17,612)	(15,800)
	21,675	23,487

Listing status of securities held for trading is as follows:

	31 December 2022 VND million	31 December 2021 VND million
Equity securities		
Unlisted	39,287	39,287
	39,287	39,287

Changes in provision for diminution in value of securities held for trading during the year are as follows:

	2022 VND million	2021 VND million
Opening balance	15,800	18,237
Provision charged/(reversed)	1,812	(2,437)
Closing balance	17,612	15,800

9. DERIVATIVE FINANCIAL INSTRUMENTS

	Total contract nominal value (*) VND million	Total carrying value (**)		Net realizable value VND million
		Assets VND million	Liabilities VND million	
As at 31 December 2022				
Derivative instruments				
Forward contracts	38,382,147	150,331	-	150,331
Swap contracts	111,162,730	296,013	-	296,013
	149,544,877	446,344	-	446,344
As at 31 December 2021				
Derivative instruments				
Forward contracts	48,188,115	-	(46,681)	(46,681)
Swap contracts	113,984,812	-	(30,152)	(30,152)
	162,172,927	-	(76,833)	(76,833)

(*) Total contract value is translated using exchange rates at the contract value date.

(**) Total carrying value is the net value translated using exchange rates at the statement of financial position date

10. LOANS TO CUSTOMERS

	31 December 2022 VND million	31 December 2021 VND million
Loans to local economic entities and individuals	120,532,719	100,887,495
Commercial papers and valuable papers discount	110,823	675,114
	120,643,542	101,562,609

Interest rates of loans to customers at year end are as follows:

	31 December 2022 % per annum	31 December 2021 % per annum
In VND	4.00 - 12.50	3.00 - 11.00
In foreign currencies	3.50 - 7.52	2.50 - 4.50

10. LOANS TO CUSTOMERS (continued)

10.1 Analysis of loan to customers by quality

	31 December 2022 VND million	31 December 2021 VND million
Current	116,900,964	98,632,895
Special mention	1,673,825	1,160,921
Substandard	616,555	344,979
Doubtful	442,851	469,210
Loss	1,009,347	954,604
	120,643,542	101,562,609

10.2 Analysis of loan to customers by original maturity

	31 December 2022 VND million	31 December 2021 VND million
Short-term loan	51,830,929	48,627,296
Medium-term loan	27,862,422	24,599,699
Long-term loan	40,950,191	28,335,614
	120,643,542	101,562,609

10.3 Analysis of loan to customers by type of customers and ownership

	31 December 2022		31 December 2021	
	VND million	%	VND million	%
State-owned enterprises	1,548,658	1.28	1,417,828	1.40
State-owned limited liability companies	1,147,306	0.95	1,168,864	1.15
Privately-owned limited liability companies	29,215,085	24.22	25,563,155	25.17
Joint-stock companies with state-owned share capital accounting for more than 50% of the charter capital or the total number of voting shares; or the state retains control of the company in its charter	1,134,953	0.94	2,625,510	2.59
Other joint stock companies	49,721,221	41.21	43,850,713	43.16
Private companies	149	0.00	6,393	0.01
Foreign invested enterprises	286,082	0.24	356,060	0.35
Cooperatives, cooperative unions	26,161	0.02	15,384	0.02
Individuals	37,563,927	31.14	26,557,255	26.15
Others	-	-	1,447	0.00
	120,643,542	100.00	101,562,609	100.00

10. LOANS TO CUSTOMERS (continued)

10.4 Analysis of loan to customers by industries

	31 December 2022		31 December 2021	
	VND million	%	VND million	%
Agriculture, forestry and fisheries	656,190	0.54	681,673	0.67
Mining	1,150,939	0.95	276,564	0.27
Seafood processing	1,256,232	1.04	1,604,515	1.58
Manufacturing, food processing, beverages, animal feed	1,121,771	0.93	1,133,664	1.12
Textile, skin and costumes manufacturing	1,553,930	1.29	939,478	0.93
Wood extraction, primary processing, manufacturing and other wood products	1,266,880	1.05	924,344	0.91
Paper manufacturing and printing	1,025,660	0.85	1,198,916	1.18
Pharmaceuticals, medicinal chemical, rubber, plastics, fertilizers, chemicals manufacturing	1,558,786	1.29	1,471,096	1.45
Production of construction materials (excluding steel, stainless steel, paint, mastic...)	838,965	0.70	569,161	0.56
Steel products	105,312	0.09	104,169	0.10
Billet production	25,164	0.02	44,445	0.04
Production of stainless steel and other metallurgy	77,233	0.06	58,268	0.06
Mechanical, assembly, manufacturing of machinery, automobiles, motorcycles	1,438,804	1.19	1,242,653	1.22
Manufacturing of electronic, electrical equipment, optical computers, telecommunications equipment	3,269,622	2.71	1,483,772	1.46
Ship, boats	3,852	0.00	3,051	0.00
Office equipment, home appliances, medical equipment, education, sports	57,352	0.05	42,665	0.04
Production and distribution of electricity, energy	10,315,040	8.55	7,125,610	7.02
Construction	11,207,188	9.29	14,175,548	13.96
Light industry and consumer goods	10,714,319	8.88	8,148,952	8.02
Fertilizers, chemicals and other chemical products, medicines, pharmaceuticals, medical devices	778,370	0.65	560,650	0.55
Commercial of gasoline, oil	990,165	0.82	1,017,390	1.00
Trading of steel, cement, building materials other synthetic	4,482,711	3.72	2,014,497	1.98
Heavy industry	2,782,320	2.31	2,062,717	2.03
Transportation and waterways	2,925,191	2.42	3,672,107	3.62
Shipping business	581,322	0.48	634,813	0.63
Hotel services, tourism, dining, entertainment	151,226	0.13	199,411	0.20
Property and infrastructure	10,386,690	8.60	12,136,094	11.95
Telecommunications services	769,794	0.64	422,106	0.42
Professional, scientific and technological activities, administrative and support services, health education, information and communication	4,259,915	3.53	2,664,604	2.62
Warehousing and support services	165,387	0.14	297,192	0.29
Financial and securities activities	1,446,536	1.20	2,809,632	2.77
Other industries	5,716,749	4.74	5,285,597	5.20
Individuals	37,563,927	31.14	26,557,255	26.15
	120,643,542	100.00	101,562,609	100.00

11. PROVISION FOR CREDIT LOSSES OF LOANS TO CUSTOMERS

	31 December 2022 VND million	31 December 2021 VND million
General provision	898,256	754,974
Specific provision	532,665	931,834
	1,430,921	1,686,808

Changes in provision for credit losses of loans to customers in 2022 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	754,974	931,834	1,686,808
Provision charged	143,282	352,235	495,517
Bad debts written off	-	(749,706)	(749,706)
Other decreases	-	(1,698)	(1,698)
Closing balance	898,256	532,665	1,430,921

Changes in provision for credit losses of loans to customers in 2021 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	555,137	287,874	843,011
Provision charged	199,837	2,008,811	2,208,648
Bad debts written off	-	(1,364,851)	(1,364,851)
Closing balance	754,974	931,834	1,686,808

12. INVESTMENT SECURITIES

12.1 Available-for-sale securities

	31 December 2022 VND million	31 December 2021 VND million
Debt securities	31,554,087	48,257,483
Government bonds	16,577,065	27,398,852
Debt securities issued by other local CIs	12,097,953	17,819,946
Debt securities issued by local economic entities	2,579,385	3,038,685
Treasury bills issued by the SBV	299,684	-
Provision for available-for-sale securities	(19,345)	(31,350)
General provision	(19,345)	(22,790)
Provision for diminution in value	-	(8,560)
	31,534,742	48,226,133

- Government bonds have terms ranging from 5 years to 30 years with interest rates ranging from 2.00% p.a. to 9.40% p.a.
- Debt securities issued by other local CIs have terms ranging from 1 year to 10 years with interest rates ranging from 3.90 % p.a. to 10.50% p.a.
- Bonds issued by local economic entities have terms ranging from 1 year to 10 years with interest rates ranging from 8.50% p.a. to 13.25 % p.a.
- Treasury bills issued by the SBV have terms of 7 days with interest rates of 5.50% p.a.

12. INVESTMENT SECURITIES (continued)

12.2 Changes in provision for available-for-sale securities

Changes in provision for credit losses of investment securities in 2022 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	22,790	-	22,790
Provision reversed	(3,445)	-	(3,445)
Closing balance	19,345	-	19,345

Changes in provision for credit losses of investment securities in 2021 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	153,124	-	153,124
Provision (reversed)/charged	(130,334)	500,000	369,666
Bad debts written off	-	(500,000)	(500,000)
Closing balance	22,790	-	22,790

Changes in provision for diminution in value of investment securities during the year are as follows:

	2022 VND million	2021 VND million
Opening balance	8,560	15,363
Provision reversed	(8,560)	(6,803)
Closing balance	-	8,560

12.3 Analysis by quality of debt securities classified as credit risk bearing assets according to Circular 11

	31 December 2022 VND million	31 December 2021 VND million
Current	14,677,338	20,858,631
	14,677,338	20,858,631

13. LONG-TERM INVESTMENTS

	31 December 2022 VND million	31 December 2021 VND million
Investments in economic entities	10,036	10,036
	10,036	10,036

14. TANGIBLE FIXED ASSETS

	Buildings and structures VND million	Machines and equipment VND million	Means of transportation VND million	Office equipment VND million	Others VND million	Total VND million
Cost						
Opening balance	28,589	411,792	95,067	89,158	499	625,105
Additions	-	66,366	-	5,167	-	71,533
Disposal	-	(84,650)	(3,148)	(2,420)	(273)	(90,491)
Closing balance	28,589	393,508	91,919	91,905	226	606,147
Accumulated depreciation						
Opening balance	12,794	326,008	74,585	77,515	450	491,352
Depreciation during the year	585	39,702	4,010	7,543	19	51,859
Disposal	-	(84,574)	(3,148)	(2,399)	(273)	(90,394)
Closing balance	13,379	281,136	75,447	82,659	196	452,817
Net book value						
Opening balance	15,795	85,784	20,482	11,643	49	133,753
Closing balance	15,210	112,372	16,472	9,246	30	153,330

Cost of fully-depreciated tangible fixed assets in use as at 31 December 2022 is VND 308,877 million.

15. INTANGIBLE FIXED ASSETS

	Land use rights VND million	Computer software VND million	Others VND million	Total VND million
Cost				
Opening balance	52,233	444,085	18,760	515,078
Additions	-	102,049	1,130	103,179
Disposals	-	-	(80)	(80)
Closing balance	52,233	546,134	19,810	618,177
Accumulated amortization				
Opening balance	-	330,020	7,230	337,250
Amortization during the year	-	49,040	2,424	51,464
Disposals	-	-	(80)	(80)
Closing balance	-	379,060	9,574	388,634
Net book value				
Opening balance	52,233	114,065	11,530	177,828
Closing balance	52,233	167,074	10,236	229,543

Cost of fully-amortized intangible fixed assets in use as at 31 December 2022 is VND 132,192 million.

16. OTHER ASSETS

16.1 Receivables

	31 December 2022 VND million	31 December 2021 VND million
Internal receivables	101,260	438,142
External receivables	10,663,966	9,573,294
Construction in progress	116,095	111,405
	10,881,321	10,122,841

16.1.1 Internal receivables

	31 December 2022 VND million	31 December 2021 VND million
Advances for operations	84,679	93,926
Embezzled, deficient, lost money, assets awaiting settlement	2,194	102
Other advances and receivables	14,387	344,114
	101,260	438,142

16.1.2 External receivables

	31 December 2022 VND million	31 December 2021 VND million
Security deposits, mortgage, pledge	-	2,000
Receivables from debt selling contracts	2,481,159	3,053,057
Receivables from trade finance activities	5,008,050	4,431,204
Other advances and receivables	2,936,968	1,787,598
Advances for processing of foreclosed assets (*)	217,033	283,715
Interest subsidy receivables from State Budget	20,067	13,592
Tax receivables from State Budget	689	2,128
	10,663,966	9,573,294

(*) Including VND 115,180 million of operating expenses for foreclosed assets which are ships recognized as advances (as at 31 December 2021: VND 183,331 million). The Bank will finalize total operating income (Note 24.2.2) and operating expenses arisen upon sales of these assets.

16.1.3 Construction in progress

	31 December 2022 VND million	31 December 2021 VND million
Advances for purchase of fixed assets	63,108	79,325
Repair of fixed assets	52,987	32,080
	116,095	111,405

16.2 Interest and fee receivables

	31 December 2022 VND million	31 December 2021 VND million
Interest receivables from deposits	18,429	4,524
Interest receivables from investment securities	574,941	1,126,743
Interest receivables from credit activities	1,594,434	1,332,612
Interest receivables from derivative financial instruments	607,746	298,740
Other interest and fee receivables	12,926	7,247
	2,808,476	2,769,866

16. OTHER ASSETS (continued)

16.3 Deferred tax assets

	31 December 2022 VND million	31 December 2021 VND million
Opening balance	61	46
Deferred tax assets related to tax-deductible temporary differences	(11)	15
Closing balance	50	61

16.4 Other assets

	31 December 2022 VND million	31 December 2021 VND million
Materials and tools	47,469	50,408
Prepaid expenses awaiting allocation	361,573	177,475
Foreclosed assets awaiting resolution	2,164,447	3,729,761
Receivables from trading securities	462,305	467,305
Other assets	157,369	85,934
Goodwill	25,106	35,088
	3,218,269	4,545,971

(*) Including VND 1,790,418 million of foreclosed assets which are ships. For details of operating expenses and operating income of the foreclosed assets, see Note 16.1.2 and Note 22.2.2

16.5 Provision for other assets

	31 December 2022 VND million	31 December 2021 VND million
Provision for receivables from debts sold	27,362	204,372
- General provision	27,362	28,862
- Specific provision	-	175,510
Other provision	40,068	38,690
	67,430	243,062

Changes in provision for receivables from debts sold in 2022 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	28,862	175,510	204,372
Provision reversed	(1,500)	(15,510)	(17,010)
Bad debts written off	-	(160,000)	(160,000)
Closing balance	27,362	-	27,362

Changes in provision for receivables from debts sold in 2021 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	33,837	815,250	849,087
Provision reversed	(4,975)	(635,807)	(640,782)
Bad debts written off	-	(3,933)	(3,933)
Closing balance	28,862	175,510	204,372

16. OTHER ASSETS (continued)

16.5 Provision for other assets (continued)

Changes in other provision during the year are as follows:

	2022 VND million	2021 VND million
Opening balance	38,690	245,410
Provision charged/(reversed)	2,118	(364)
Bad debts written off	(2,438)	(98,000)
Other increases	1,698	1,500
Other decreases	-	(109,856)
Closing balance	40,068	38,690

17. GOODWILL

	2022 VND million	2021 VND million
Total value of goodwill	99,823	99,823
Amortization period (year)	10	10
Value of accumulated amortized goodwill at the beginning of the year	64,735	54,752
Value of unamortized goodwill	35,088	45,071
Goodwill amortized during the year	9,982	9,983
Goodwill amortized during the year	9,982	9,983
Total value of unamortized goodwill at the end of the year	25,106	35,088

18. BORROWINGS FROM THE GOVERNMENT AND THE STATE BANK OF VIETNAM ("SBV")

	31 December 2022 VND million	31 December 2021 VND million
Borrowings from the SBV		
Discounting, rediscounting of valuable papers	999,972	999,972
Borrowings for Banking and Settlement System Modernization Project	14,588	17,281
	1,014,560	1,017,253

19. DUE TO BANKS

	31 December 2022 VND million	31 December 2021 VND million
Deposits from other CIs	29,339,865	34,078,939
Demand deposits	13,370,028	8,162,389
- In VND	12,969,177	7,734,805
- In foreign currencies	400,851	427,584
Term deposits	15,969,837	25,916,550
- In VND	15,261,837	19,019,550
- In foreign currencies	708,000	6,897,000
Borrowings from other CIs	21,034,295	33,956,664
In VND	9,345,443	21,843,606
In foreign currencies	11,688,852	12,113,058
	50,374,160	68,035,603

19. DUE TO BANKS (continued)

Interest rates of due to banks at year end are as follows:

	31 December 2022 % per annum	31 December 2021 % per annum
Term deposits from other Cls in VND	2.80 - 8.90	0.70 - 2.80
Term deposits from other Cls in foreign currencies	4.30 - 5.30	0.10 - 0.50
Borrowings from other Cls in VND	5.50 - 6.60	1.50 - 4.88
Borrowings from other Cls, financial institutions in foreign currencies	3.08 - 5.99	0.17 - 1.50

20. CUSTOMER DEPOSITS

20.1 Analysis of customer deposits by type of deposits

	31 December 2022 VND million	31 December 2021 VND million
Demand deposits	34,736,911	32,268,015
Demand deposits in VND	28,473,485	28,478,627
Demand deposits in foreign currencies	6,263,426	3,789,388
Term deposits	80,625,545	60,709,924
Term deposits in VND	78,136,273	56,803,593
Term deposits in foreign currencies	2,489,272	3,906,331
Deposit for specific purposes	171,944	111,570
Deposit for specific purposes in VND	162,110	107,973
Deposit for specific purposes in foreign currencies	9,834	3,597
Margin deposits	1,586,379	1,526,910
Margin deposits in VND	1,539,236	1,459,093
Margin deposits in foreign currencies	47,143	67,817
	117,120,779	94,616,419

Interest rates of customer deposits at year end are as follows:

	31 December 2022 % per annum	31 December 2021 % per annum
Demand deposits in VND	0.00 - 0.50	0.00 - 0.20
Term deposits in VND	5.00 - 9.50	3.00 - 5.60
Demand deposits in foreign currencies	0.00	0.00
Term deposits in foreign currencies	0.00 - 0.10	0.00 - 1.70

20.2 Analysis of customer deposits by type of customers

	31 December 2022		31 December 2021	
	VND million	%	VND million	%
Deposits from economic entities	57,175,663	48.82	47,825,931	50.55
Deposits from individuals	59,945,116	51.18	46,790,488	49.45
	117,120,779	100.00	94,616,419	100.00

21. VALUABLE PAPERS ISSUED

	31 December 2022 VND million	31 December 2021 VND million
Certificate of deposit	3,199,514	4,643,540
Ordinary bonds	8,400,000	8,399,000
	11,599,514	13,042,540

Details of terms of valuable papers issued by par value at year end are as follows:

	Ordinary bonds VND million	Certificate of deposit VND million	Total VND million
Up to 12 months (Up to 366 days)			
- In VND	-	3,007,144	3,007,144
From 12 months to 5 years (From 366 - 1826 days)			
- In VND	8,400,000	192,370	8,592,370
Closing balance	8,400,000	3,199,514	11,599,514

22. OTHER LIABILITIES

22.1 Interest and fee payables

	31 December 2022 VND million	31 December 2021 VND million
Interest payables for deposits	1,250,861	1,072,385
Interest payables for valuable papers issued	236,734	253,042
Interest payables for borrowings from other Cls	186,492	49,337
Interest payables for derivative financial instruments	579,383	230,861
	2,253,470	1,605,625

22.2 Other payables and liabilities

	31 December 2022 VND million	31 December 2021 VND million
Internal payables	964,796	1,129,666
External payables	2,764,267	2,070,952
Bonus and welfare fund	30,314	32,747
	3,759,377	3,233,365

22. OTHER LIABILITIES (continued)

22.2 Other payables and liabilities (continued)

22.2.1 Internal payables

	31 December 2022 VND million	31 December 2021 VND million
Payables to employees	658,804	800,332
Dividend payables	6,413	6,413
Excessive funds and assets awaiting settlement	1,383	501
Suspended interests of foreclosed assets	27,708	79,734
Other internal payables	270,488	242,686
	964,796	1,129,666

22.2.2 External payables

	31 December 2022 VND million	31 December 2021 VND million
Escrow accounts awaiting settlement	28,577	25,626
Taxes payable to State Budget	966,439	271,850
Payables relating to fund transferring	159,115	193,578
Receivables from sales of debts, collaterals or utilization of collaterals (*)	430,901	547,144
Other external payables	1,179,235	1,032,754
	2,764,267	2,070,952

(*) Including VND 430,725 million operating income from foreclosed assets which are ships (as at 31 December 2021: VND 542,034 million). The Bank will finalize total operating income and operating expenses (Note 18.1.2) arisen upon sales of these assets.

23. TAXES AND OTHER OBLIGATIONS TO THE STATE BUDGET

Unit: VND million

	Opening balance	Movements during the year		Closing balance
		Payables	Paid	
Receivables from the State Budget	(2,128)	1,746	(307)	(689)
Corporate income tax	(2,128)	1,746	(307)	(689)
Payables to the State Budget	271,850	1,761,060	(1,066,471)	966,439
Value added tax	13,535	145,168	(147,968)	10,735
Corporate income tax	224,962	1,169,233	(572,971)	821,224
Other taxes	33,353	445,012	(343,885)	134,480
Other payables	-	1,647	(1,647)	-
	269,722	1,762,806	(1,066,778)	965,750

24. OWNERS' EQUITY AND RESERVES

24.1 Statement of changes in equity

Unit: VND million

	Charter capital	Share premium	Treasury shares	Development and investment reserve	Financial reserve	Capital supplementary reserve	Capital expenditure fund	Retained earnings	Total
As at 1 January 2021	11,750,000	400,000	(1,040,655)	12,958	731,810	244,685	608	4,775,413	16,874,819
Capital increase	3,525,000	-	-	-	-	-	-	(3,524,976)	24
Net profit during the year	-	-	-	-	-	-	-	4,034,740	4,034,740
Appropriation to reserves	-	-	-	-	200,426	101,109	-	(301,535)	-
Sales of treasury shares	-	91,710	1,040,655	-	-	-	-	-	1,132,365
Utilization of reserves	-	-	-	-	(178)	-	-	-	(178)
Decrease from disposal of subsidiaries	-	-	-	(9,561)	-	(4,276)	-	13,837	-
Other decrease	-	-	-	-	-	-	-	(3,985)	(3,985)
As at 1 January 2022	15,275,000	491,710	-	3,397	932,058	341,518	608	4,993,494	22,037,785
Net profit during the year	-	-	-	-	-	-	-	4,616,213	4,616,213
Appropriation to reserves	-	-	-	-	412,709	206,354	-	(619,063)	-
Dividend distribution by shares	4,582,500	(458,250)	-	-	-	-	-	(4,124,250)	-
As at 31 December 2022	19,857,500	33,460	-	3,397	1,344,767	547,872	608	4,866,394	26,653,998

On 2 December 2022, the Bank successfully issued 14,250,000 shares under its Employee Stock Ownership Program ("ESOP"), bringing the total number of shares issued by the Bank to 2,000,000,000 shares, with charter capital equivalent to VND 20,000 billion. As at 31 December 2022, the Bank has not recorded an increase in charter capital because there has not been a decision of the SBV on the amendment of the License for Establishment and Operation.

On 9 January 2023, the State Bank of Vietnam issued Decision No. 45/QD-NHNN on amendments to the establishment and operation license of Vietnam Maritime Commercial Joint Stock Bank, the Bank has recognized capital charter increased to 20,000 billion VND from this point of time.

24.2 Capital

	31 December 2022 shares	31 December 2021 shares
Number of registered shares	2,000,000,000	1,527,500,000
Number of shares issued	2,000,000,000	1,527,500,000
Common shares	2,000,000,000	1,527,500,000
Number of outstanding shares	2,000,000,000	1,527,500,000
Common shares	2,000,000,000	1,527,500,000
Face value per share	10,000	10,000

24. OWNERS' EQUITY AND RESERVES (continued)

24.2 Capital (continued)

The list of major shareholders owning shares of 5% or more of the Bank's charter capital is as follows

	31 December 2022		31 December 2021	
	Number of common shares	%	Number of common shares	%
Vietnam Posts and Telecommunications Group (*)	120,965,367	6.05	93,050,283	6.09
Thanh Vinh Real Estate Development Investment Joint Stock Company (**)	106,652,730	5.33	63,543,640	4.16

(*) Vietnam Posts and Telecommunications Group operates in the form of a one-member limited liability company owned by the State according to Decision No. 955/QĐ-TTg dated 24 June 2010 of the Prime Minister and Business Registration Certificate of One Member Limited Liability Company No. 0100684378 issued by the Hanoi Department of Planning and Investments on 17 August 2010.

(**) Thanh Vinh Real Estate Development Investment Joint Stock Company operates in the form of a joint stock company under the Enterprise Registration Certificate of Joint Stock Company No. 2901953072 dated 15 October 2018 issued by the Department of Planning and Investments of Nghe An Province.

On 21 December 2022, Thanh Vinh Real Estate Development Investment Joint Stock Company made a transaction to buy shares of the Bank, increasing its ownership to 106,652,730 shares, equivalent to 5.33% of the Bank's total outstanding shares.

On 12 January 2023, Thanh Vinh Real Estate Development Investment Joint Stock Company made a transaction to sell shares of the Bank, reducing its ownership to 92,635,730 shares, equivalent to 4.63% of the Bank's total outstanding shares.

25. INTEREST AND SIMILAR INCOME

	2022 VND million	2021 VND million
Interest income from deposits	228,547	77,311
Interest income from loans to customers	10,270,547	7,588,621
Interest income from investment securities	2,030,171	1,792,785
Interest income from guarantee services	268,965	188,541
Interest income from debt trading	-	178,799
Other income from credit activities	453,884	512,534
	13,252,114	10,338,591

26. INTEREST AND SIMILAR EXPENSES

	2022 VND million	2021 VND million
Interest expenses on deposits	3,404,093	3,057,616
Interest expenses on borrowings	845,561	341,605
Interest expenses on valuable papers issued	625,349	690,695
Expenses for other credit activities	55,320	32,431
	4,930,323	4,122,347

27. NET FEES AND COMMISSION INCOME

	2022 VND million	2021 VND million
Fees and commission income	1,605,101	3,248,448
Settlement services	830,289	665,040
Treasury services	3,466	5,681
Entrustment and agent operations	269,218	1,853,101
Others	502,128	724,626
Fees and commission expenses	(492,637)	(375,009)
Settlement services	(264,189)	(219,923)
Treasury services	(11,195)	(9,008)
Others	(217,253)	(146,078)
Net fees and commission income	1,112,464	2,873,439

28. NET GAINS FROM TRADING OF FOREIGN CURRENCIES

	2022 VND million	2021 VND million
Income from foreign exchange	5,366,265	1,946,137
Income from spot trading of foreign currencies and gold	999,045	474,960
Income from trading of currency derivative financial instruments	4,367,220	1,471,177
Expenses for foreign exchange	(4,365,824)	(1,563,373)
Expense for spot trading of foreign currencies and gold	(180,454)	(40,854)
Expense for trading of currency derivative financial instruments	(4,185,370)	(1,522,519)
Net gains from trading of foreign currencies	1,000,441	382,764

29. NET GAINS/(LOSSES) FROM TRADING SECURITIES

	2022 VND million	2021 VND million
Expenses for trading securities	(216)	(406)
Provision (charged)/reversed for trading securities	(1,812)	2,437
Net gains/(losses) from trading securities	(2,028)	2,031

30. NET GAINS FROM INVESTMENT SECURITIES

	2022 VND million	2021 VND million
Income from trading of investment securities	1,894,599	2,039,698
Expenses for trading of investment securities	(1,223,482)	(1,327,199)
Provision reversed/(charged) for investment securities	12,005	(362,863)
Net gains from investment securities	683,122	349,636

31. NET GAINS/(LOSSES) FROM OTHER OPERATING ACTIVITIES

	2022 VND million	2021 VND million
Other operating income	760,999	1,254,834
Income from bad debts written-off	448,922	807,680
Income from other derivative financial instruments	-	21,084
Income from disposal of assets	1,762	3,141
Income from debt trading	1,039	4,897
Other income	309,276	418,032
Other operating expenses	(1,183,995)	(592,242)
Expense for debt trading	(2)	(54,200)
Expense for other derivative financial instruments	(24)	(16,073)
Other expenses	(1,183,969)	(521,969)
Net gains/(losses) from other operating activities	(422,996)	662,592

32. INCOME FROM CAPITAL CONTRIBUTION, SHARE PURCHASE

	2022 VND million	2021 VND million
Dividends received from capital contribution, share purchase	880	-
Income from disposal of subsidiaries	-	101,901
Other expenses for capital contribution, share purchase	-	(365)
	880	101.536

33. OPERATING EXPENSES

	2022 VND million	2021 VND million
Tax payments and other fees	81,597	63,724
Personnel expenses	2,647,866	2,397,659
Salaries and allowance	2,341,959	2,175,598
Salary-related allowance	174,963	146,976
Subsidies	58,635	45,517
Others	72,309	29,568
Asset expenses	574,742	526,152
Depreciation and amortization	103,323	96,967
Repair and maintenance costs	99,705	102,064
Rental expenses	317,160	267,330
Tools and supplies	37,082	45,960
Insurance fees	17,472	13,831
Administrative expenses	1,055,338	877,583
Per diem	47,707	33,928
Marketing and promotion	184,833	156,947
Hiring experts and consultants	80,025	32,021
Others	742,773	654,687
Insurance expenses for customer deposits	66,303	67,159
Provision (reversed)/charged (excluding provision for on- and off-statement of financial position credit risks; provision for diminution in value of securities)	2,118	(364)
	4,427,964	3,931,913

34. CREDIT LOSSES EXPENSES

	2022 VND million	2021 VND million
Provision charged for loans to customers	495,517	2,208,648
Provision reversed for receivables from debts sold	(17,010)	(640,782)
	478,507	1,567,866

35. CORPORATE INCOME TAX ("CIT") EXPENSES

Since 01 January 2016, the Bank had the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits according to Circular No. 78/2014/TT-BTC which became effective from 2 August 2014.

The Bank's tax reports are subject to examination by the tax authorities. Since the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amount reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

Current CIT payables are determined based on taxable income of the current year. Taxable income differs from the one reported in the consolidated statement of profit or loss since taxable income excludes incomes which are taxable or expenses which are deducted in prior years due to the differences between the Bank's accounting policies and the tax regulations. It also excludes tax exempted income and non-deductible expenses. The current CIT payable of the Bank is calculated based on the statutory tax rates applicable at year end.

Current CIT expenses during the year are estimated as follows:

	2022 VND million	2021 VND million
Profit before tax	5,787,203	5,088,463
Adjustments		
- Non-deductible expenses	10,475	4,642
- Non-taxable income	(904)	-
- Movements of temporary differences	(203,028)	(45,823)
- Non-taxable consolidated adjustments (Goodwill, disposal of fixed assets and subsidiaries)	9,929	133,929
Taxable income incurred during the year	5,603,675	5,181,211
Include:		
- Income from operating activities	5,603,675	5,179,403
- Income from real estate transferring	-	1,808
Tax rate	20%	20%
Current CIT expenses	1,120,735	1,036,241
Include:		
- CIT expenses from operating activities	1,120,735	1,035,879
- CIT expense from real estate transferring	-	362
Adjustments of prior periods CIT expenses	50,244	17,497
CIT incurred during the year	1,170,979	1,053,738
CIT payable at the beginning of the year	222,834	168,248
Adjustments of corporate income tax expenses of previous years (AMC)	-	3,460
CIT paid during the year	(573,278)	(990,807)
Decrease from disposal of subsidiaries	-	(11,805)
CIT payable at the end of the year	820,535	222,834
Deferred CIT expenses	11	(15)

36. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share for 2022 is based on the net profit attributable to ordinary shareholders of the Bank.

	2022	2021
Net profit after tax attributable to ordinary shareholders (VND million) (*)	4,473,713	4,034,740
Weighted average number of ordinary shares (shares) (**)	1,986,921,233	1,950,552,922
Basic earnings per share (VND/share)	2,252	2,069

(*) Net profit attributable to ordinary shareholders has been adjusted as the Bank issues bonus shares for employees under the program ("ESOP 2022"). The ESOP 2022 program is regulated in Appraisal No. 32/2022/BC-HDQT dated April 4, 2022 and approved by the General Meeting of Shareholders in accordance with Resolution No. 30/NQ-DHQT dated 25 April 2022.

(**) Weighted average number of outstanding ordinary shares and basic earnings per share in 2021 are adjusted for comparative purposes as results of the Bank issuing 30% stock dividends in 2022 to increase its capital.

37. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flow statement comprise the following amounts on the consolidated statement of financial position:

	31 December 2022 VND million	31 December 2021 VND million
Cash and cash equivalents	1,393,551	1,524,098
Balances with the SBV	3,689,730	3,056,674
Demand deposit with other CIs	9,763,592	8,140,594
Placements with other CIs with original terms of 3 months or less	19,600,048	11,768,600
Securities with a term of redemption or maturity not exceeding 3 months from the date of purchase	599,362	-
	35,046,283	24,489,966

38. ASSETS, VALUABLE PAPERS USED FOR MORTGAGE, DISCOUNT AND REDISCOUNT

38.1 Assets, valuable papers received for mortgage, discount and rediscount

	31 December 2022 VND million	31 December 2021 VND million
Immovables	135,999,992	104,526,594
Movables	13,297,846	13,265,140
Valuable papers	48,828,117	43,474,512
Other assets	224,652,264	186,315,446
	422,778,219	347,581,692

38.2 Assets, valuable papers used for mortgage, discount and rediscount

	31 December 2022 VND million	31 December 2021 VND million
Valuable papers	10,188,500	17,923,000
	10,188,500	17,923,000

39. EMPLOYEES' REMUNERATIONS

	2022 VND million	2021 VND million
I. Total average number of employees (person)	6,091	5,386
II. Employees' remuneration		
1. Total salary fund and bonus	2,484,920	1,754,897
2. Total income	2,487,355	1,757,942
3. Average monthly salary	34.00	27.15
4. Average monthly income	34.03	27.20

40. CONTINGENT LIABILITIES AND COMMITMENTS

	31 December 2022 VND million	31 December 2021 VND million
Credit guarantees	33,980	70,591
Foreign exchange commitments	223,775,857	241,920,764
Spot foreign exchange commitments - buy	1,408,572	5,288,413
Spot foreign exchange commitments - sell	1,407,285	5,297,947
Cross currency swap contracts	220,960,000	231,334,404
Letters of credit	9,141,549	9,529,543
Letters of credit	9,575,780	9,827,025
- Less: Margin deposits	(434,231)	(297,482)
Other guarantees	20,444,318	15,331,738
Settlement guarantees	4,528,714	2,892,812
Contract performance guarantees	4,539,156	3,728,934
Bid guarantees	798,158	1,081,072
Other guarantees	11,508,786	8,494,992
- Less: Margin deposits	(930,496)	(866,072)
Other commitments	16,451,969	8,434,389

41. UNCOLLECTED INTERESTS AND FEE RECEIVABLES

	31 December 2022 VND million	31 December 2021 VND million
Uncollected loan interest	779,123	1,390,185
Uncollected securities interest	-	617,433
Uncollected deposit interest	-	34,580
Uncollected receivable fees	59	59
	779,182	2,042,257

42. BAD DEBTS WRITTEN OFF

	31 December 2022 VND million	31 December 2021 VND million
Principal of the bad debts written off is under monitoring	4,752,064	4,262,710
Interest of the bad debts written off is under monitoring	8,869,928	7,183,577
Other bad debts written off	2,438	-
	13,624,430	11,446,287

43. OTHER ASSETS AND DOCUMENTS

	31 December 2022 VND million	31 December 2021 VND million
Precious metals, custodian gems	-	2,930
Other assets kept nominally	21,340,752	14,587,786
Assets under operating leases	4,892	3,055
Collateral received as a substitute for obligations of the guarantor awaiting settlement	5,120	5,120
Other valuable documents are being preserved	93,515,419	91,463,839
	114,866,183	106,062,730

44. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other parties to which the Bank is related. A party is considered to be related if the party has ability to control or to influence other parties in making decision of financial policies and operational activities. A party is related to the Bank if:

(a) Directly, or indirectly through one or more intermediaries, the party:

- Controls, is controlled by, or is under common control with, the Bank (including parents and subsidiaries);
- Has an interest in the Bank that gives it significant influence over the Bank;
- Has joint control over the Bank.

(b) The party is a joint venture in which the Bank is a venture or an associate;

(c) The party is a member of the key management personnel of the Bank;

(d) The party is a close member of the family of any individual referred to in (a) or (c); or

(e) The party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such company resides with, directly or indirectly, any individual referred to in (c) or (d).

Details of significant balances with related parties at year end are as follows:

	31 December 2022 Receivables/(Payables) VND million	31 December 2021 Receivables/(Payables) VND million
Vietnam Posts and Telecommunications Group (“VNPT”) – Major shareholder		
Deposits	(2,489,341)	(936,304)
Other payables	(45,698)	(23,462)
Thanh Vinh Real Estate Investment Joint Stock Company – Major shareholder		
Deposits	(7,014)	-
TNG Holding Vietnam Investment JSC – Related party of the Board of Directors		
Deposits	(1,041)	(2,182)
Loans	44	-
TNEX Digital Finance Platform and Services JSC – Related party of the Board of Directors		
Deposits	(4,060)	(12,676)
Other payables	(15)	(15)
Loans	41	-
Fee receivables	1	-
FamilyMart Vietnam JSC – Related party of the Board of Directors		
Deposits	(576)	(85)
TNG Asset JSC – Related party of the Board of Directors		
Deposits	(1,689)	-
TNC Holdings JSC – Related party of the Board of Directors		
Deposits	(3,957)	-
FANNY Vietnam JSC – Related party of the Board of Directors		
Deposits	(2,002)	-
TNC Consumer Goods JSC – Related party of the Board of Directors		
Deposits	(836)	-
KEM CS Vietnam Co., Ltd – Related party of the Board of Directors		
Deposits	(1,064)	-
Members of the Board of Directors, Management, Board of Supervision and related individuals		
Deposits	(91,139)	(51,646)
Loans	53,811	30,475
Other receivables	202	122
Other payables	(897)	(652)

45. RELATED PARTY TRANSACTIONS (continued)

Details of significant transactions with related parties during the year are as follows:

	2022 VND million	2021 VND million
VNPT – Major shareholder		
Interest expenses on deposits	(75,979)	(23,487)
Fee income	-	2
TNG Holding Vietnam Investment JSC – Related party of the Board of Directors		
Interest expenses on deposits	(5)	(12)
Fee income	145	152
Interest income from loans	1	-
TNEX Digital Finance Platform and Services JSC – Related party of the Board of Directors		
Interest expenses on deposits	(42)	(30)
Fee income	70	37
Interest income from loans	1	-
FamilyMart Vietnam JSC – Related party of the Board of Directors		
Interest expenses on deposits	(1)	-
TNG Asset JSC – Related party of the Board of Directors		
Interest expenses on deposits	(3)	-
TNC Holdings JSC – Related party of the Board of Directors		
Interest expenses on deposits	(12)	-
FANNY Vietnam JSC – Related party of the Board of Directors		
Interest expenses on deposits	(3)	-
TNC Consumer Goods JSC – Related party of the Board of Directors		
Interest expenses on deposits	(1)	-
KEM CS Vietnam Co., Ltd – Related party of the Board of Directors		
Interest expenses on deposits	(1)	-
Members of the Board of Directors, Management, Board of Supervision and related individuals		
Remunerations of the Board of Directors	(16,363)	(18,421)
Remunerations of the Board of Supervision	(4,783)	(4,783)
Salaries of the Chief Executive Officer and Deputy Chief Executive Officers	(35,689)	(27,985)
Interest income from loans	1,295	1,705
Fee income	64	263
Interest expenses on deposits	(2,675)	(2,112)
Interest expenses on valuable papers issued	-	(7)

46. SEGMENT REPORT

46.1 Business segment report

Operating results by business segments in 2022 are as follows:

	Banking and finance VND million	Others VND million	Offsetting intercompany transactions VND million	Total VND million
I. Income	35,935,715	-	(13,043,752)	22,891,963
1. Interest income	26,277,328	-	(13,025,214)	13,252,114
2. Fee and commission income	1,605,139	-	(38)	1,605,101
3. Income from other operating activities	8,053,248	-	(18,500)	8,034,748
II. Expenses	(29,641,579)	-	13,015,326	(16,626,253)
1. Interest expenses	(17,955,540)	-	13,025,217	(4,930,323)
2. Depreciation expenses	(103,376)	-	53	(103,323)
3. Expenses directly related to operating activities	(11,582,663)	-	(9,944)	(11,592,607)
Operating results before provision for credit losses	6,294,136	-	(28,426)	6,265,710
Credit loss expenses	(497,007)	-	18,500	(478,507)
Operating results by segments	5,797,129	-	(9,926)	5,787,203

Assets and liabilities by business segments as at 31 December 2022 are as follows:

	Banking and finance VND million	Others VND million	Offsetting intercompany transactions VND million	Total VND million
III. Assets	214,866,445	-	(2,090,587)	212,775,858
1. Cash on hand	1,393,551	-	-	1,393,551
2. Fixed assets	383,125	-	(252)	382,873
3. Other assets	213,089,769	-	(2,090,335)	210,999,434
IV. Liabilities	187,540,275	-	(1,418,415)	186,121,860
1. External liabilities	2,824,965	-	(60,698)	2,764,267
2. Internal liabilities	964,796	-	-	964,796
3. Other liabilities	183,750,514	-	(1,357,717)	182,392,797

46.2 Geographical segment report

	Northern VND million	Central VND million	Southern VND million	Total VND million
I. Operating results by segment				
1. Total income	17,316,095	985,362	4,590,506	22,891,963
2. Total operating expenses	15,020,411	420,856	1,663,493	17,104,760
Profit before tax	2,295,684	564,506	2,927,013	5,787,203
II. Assets	172,910,272	7,664,716	32,200,870	212,775,858
III. Liabilities	148,671,128	7,325,437	30,125,295	186,121,860

47. CONCENTRATION OF ASSETS, LIABILITIES AND OFF-STATEMENT OF FINANCIAL POSITION ITEMS BY GEOGRAPHICAL REGIONS

	Credit granting (loans to customers and other CIs) VND million	Fund mobilized (deposits from customers, due to banks) VND million	Credit commitments VND million	Derivative instruments (Total contract nominal value) VND million	Trading and investment securities VND million
Domestic	130,523,502	157,104,124	29,619,847	149,544,877	31,593,374
Overseas	-	10,390,815	-	-	-
Total	130,523,502	167,494,939	29,619,847	149,544,877	31,593,374

48. RISK MANAGEMENT POLICIES

The Bank's business goal is to be a multi-functional financial institution. Accordingly, the Bank provides a variety of products and services to its customers in order to achieve the above goal and at the same time ensure the expected profit. The utilization of financial instruments, including fund mobilization (customer deposits and valuable papers issued) and investments of these funds in high-quality assets, which is the core of the Bank's activities, helps it achieve its profit goal but also incur risks that need to be managed closely. The Bank manages its risks through the use of limits in order to proactively managing risks and implementing preventive measures/tools in order to reduce risks. Through holding a large proportion of high-quality financial instruments, the statement of financial position structure of the Bank is adequate to avoid significant exposures within the scope of its operations and manage its liquidity position.

In managing credit risk, the Bank has fully issued and effectively applied documents on credit risk management with details on lending policies, procedures and implementation instructions on standardizing the Bank's credit activities. Liquidity risks are controlled and managed through management instruments for liquidity risks such as holding a high proportion of assets as a large base of cash and cash equivalents in the form of Nostro accounts, balances with the SBV, placements with other CIs and especially highly liquid valuable papers. The risk-weighted ratios are also used to manage the Bank's liquidity. The Bank frequently assesses its interest rate gaps, compares them with those in domestic and international markets, and then applies appropriate adjustments timely. In addition, the effective implementation of a number of the Bank's risk management has been enhanced by the deployment of the Centralized Capital Management and the Centralized Payment System, in which the Bank's capital and payment transactions are solely performed by the Head Office. This helps monitoring the Bank's funds movements more effectively, efficiently, and reduces possible errors and unnecessarily complexities.

48.1 Credit risk

Credit risk is the risk that results in the Bank's loss because its customers or counterparties default on their contractual obligations or fail to fulfil their committed obligations.

The Bank has maintained an appropriate risk management policy to ensure these following basic principles:

- establish appropriate risk managing environment;
- operate under healthy credit granting procedure;
- maintain appropriate credit managing, measuring, supervising procedure; and
- ensure adequate control on credit risk.

The Bank conducts approval procedure through many levels to ensure that a loan is reviewed independently; concurrently, loan approval is based on credit limits delegated to competent authorities. Besides, the model of credit approval with the participation of Credit Committee to ensure the credit approval activity is centralized with the highest quality.

The maximum level of credit risks (collaterals or other measures of credit risk mitigation exclusive)

48. RISK MANAGEMENT POLICIES (continued)

48.1 Credit risk (continued)

The maximum exposures to credit risk relating to asset groups, which are equivalent to their carrying values (excluding provision) in the consolidated statement of financial position, are listed below:

	Current VND million	Special mention VND million	Sub-standard VND million	Doubtful VND million	Loss VND million	Total VND million
Due from banks	29,480,008	-	-	-	-	29,480,008
Loans to customers	116,900,964	1,673,825	616,555	442,851	1,009,347	120,643,542
Debt securities issued by local CIs and economic entities	14,677,338	-	-	-	-	14,677,338
Other credit risk-bearing assets	2,481,159	-	-	-	-	2,481,159
Total	163,539,469	1,673,825	616,555	442,851	1,009,347	167,282,047

The above table presents the worst-case scenario in which the Bank will incur the maximum credit exposures as at 31 December 2022, without taking into account of any collateral held or their credit enhancement.

Current debts comprise debts classified to group 1 in compliance with Circular 11. The Bank estimates that it is capable of recovering these assets in full and on time in the future. Special mention debts comprise debts classified to group 2 in compliance with Circular 11. The Bank assesses that it is able to recover the principals and interests in full, but there are signs of impairment. Sub-standard debts comprise debts classified to group 3 in compliance with Circular 11. The Bank estimates that it is unable to collect the principals and interests as at due date, and there is a possibility of loss. Doubtful debts comprise debts classified to group 4 in compliance with Circular 11. The Bank estimates that there is a high possibility of loss. Loss debts include debts classified to group 5 in compliance with Circular 11. The Bank assesses that it no longer has the capability of recovering these debts.

The Bank is currently holding collateral in the form of immovables, movables, valuable papers and other types for the above financial assets.

48.2 Market risk

48.2.1 Interest rate risk

Interest rate risk is the risk of adverse fluctuations in interest rates on income, assets, liabilities and off-statement of financial position commitments of the Bank, arising from:

- Differences between the period of fixing new interest rate or redefining interest rate;
- Changes in relationship between interest rates of various financial instruments with the same maturity date;
- Changes in relationship between interest rates at different maturities;
- Influences from interest rate options, products with interest rate options elements.

Interest-sensitive items (assets, liabilities, off-statement of financial position items) are those whose income/ expenses/prices change when interest rates change. The term used for determining actual interest rate is the remaining period from the date of consolidated financial statements to the nearest date of interest rate re-pricing or due date/partial due date of assets and liabilities.

48. RISK MANAGEMENT POLICIES (continued)

48.2 Market risk (continued)

48.2.1 Interest rate risk (continued)

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

- Non-interest-bearing items (not subject to interest rate re-pricing) include, but are not limited to cash, gold, gemstones, balances with the SBV, securities held for trading, premiums, discounts, interest, fee receivables, long-term investments, fixed assets, investment securities (equity securities);
- The interest rate re-pricing term of investment securities, due from banks, loans to customers, deposits and borrowings from the Government and the SBV, due to banks, customer deposits, valuable papers issued, derivative financial instruments are determined as follows:
 - Items with fixed interest rate during the contractual term: The interest rate re-pricing term is based on contractual maturity date (due date or partial due date) since the consolidated financial statements date;
 - Items with floating interest rate: The interest rate re-pricing term is based on the nearest interest rate re-pricing date and contractual maturity date (whichever comes first) since the consolidated financial statements date;
- The interest rate re-pricing term of other liabilities issued is based on their contractual maturity date of valuable papers;
- The effective interest rate re-pricing term of other assets and other liabilities is based on their interest rate sensitivity and their interest rate re-pricing term/contractual maturity date.

Interest policy of the Bank

Management periodically reviews the potential interest rate risks arising from business activities of the Bank, thereby implementing measures to balance the assets-liabilities structure to minimize the Bank's exposures against adverse fluctuations in market interest rates and ensure compliance with the SBV's regulations, the Bank's regulations and the established limits.

The interest rates set by the Bank for loans to customers and customer deposits by currencies are presented in Note 10 and Note 22, respectively.

	Unit: VND million								
	Overdue	Non-interest bearing	Interest re-pricing period						Total
			Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 5 years	Over 5 years	
ASSETS									
Cash, gold and gemstones	-	1,393,551	-	-	-	-	-	-	1,393,551
Balances with the SBV	-	3,689,730	-	-	-	-	-	-	3,689,730
Due from banks (*)	-	125,047	29,776,145	5,124,589	3,343,410	790,301	84,108	-	39,243,600
Derivative financial instruments	-	-	158,403	(153,246)	409,287	40,478	(8,578)	-	446,344
Securities held for trading (*)	-	39,287	-	-	-	-	-	-	39,287
Loans to customers and debts purchased (*)	3,970,969	-	31,727,474	41,176,682	21,612,897	12,544,789	9,371,981	238,750	120,643,542
Investment securities (*)	-	(972,554)	450,000	3,091,000	2,800,000	5,378,385	9,135,446	11,671,810	31,554,087
Long-term investments (*)	-	10,036	-	-	-	-	-	-	10,036
Fixed assets	-	382,873	-	-	-	-	-	-	382,873
Other assets (*)	78,728	16,242,308	2,400	2,400	3,600	7,200	57,600	513,880	16,908,116
Total assets	4,049,697	20,910,278	62,114,422	49,241,425	28,169,194	18,761,153	18,640,557	12,424,440	214,311,166
LIABILITIES									
Borrowings from the Government and the SBV	-	-	1,650	-	-	1,001,621	11,289	-	1,014,560
Due to banks	-	-	40,015,317	4,586,685	5,772,158	-	-	-	50,374,160
Customer deposits	-	-	52,665,656	11,877,826	31,077,030	16,707,517	4,792,666	84	117,120,779
Valuable papers issued	-	-	115,298	24,765	40,135	3,013,116	8,406,200	-	11,599,514
Other liabilities (*)	-	6,012,847	-	-	-	-	-	-	6,012,847
Total liabilities	-	6,012,847	92,797,921	16,489,276	36,889,323	20,722,254	13,210,155	84	186,121,860
On-statement of financial position interest sensitivity gap	4,049,697	14,897,431	(30,683,499)	32,752,149	(8,720,129)	(1,961,101)	5,430,402	12,424,356	28,189,306

(*) balances of these items do not include risk provision

48. RISK MANAGEMENT POLICIES (continued)

48.2 Market risk (continued)

48.2.2 Currency risk

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

The Bank is incorporated and operates in Vietnam with the reporting currency being VND. The major currency of its transaction is also VND. Loans to customers of the Bank is mainly denominated in VND and USD. Other foreign-currencies-denominated assets of the Bank are mainly in USD, partly in EUR and other currencies. The Bank has set limits to control its currency positions based on the regulations of the SBV and internal regulations of the Bank. Positions are monitored on a daily basis and hedging strategies are used to ensure currency positions are maintained within the established limits.

	EUR equivalent VND million	USD equivalent VND million	Other foreign currencies equivalent VND million	Total VND million
Asset				
Cash, gold and gemstones	77,034	267,146	171,238	515,418
Balances with the SBV	1,625	481,684	-	483,309
Due from banks (*)	61,923	3,849,294	211,928	4,123,145
Derivative financial instruments	-	6,939,319	-	6,939,319
Loans to customers and debts purchased (*)	-	6,854,916	-	6,854,916
Other assets (*)	17,696	1,764,540	19,410	1,801,646
Total assets	158,278	20,156,899	402,576	20,717,753
Liabilities				
Borrowing from the Government and the SBV	-	14,588	-	14,588
Due to banks	34,760	12,651,285	111,658	12,797,703
Customer deposits	108,884	8,616,955	83,836	8,809,675
Derivative financial instruments	4,922	-	139,538	144,460
Other liabilities (*)	8,665	524,516	21,580	554,761
Total liabilities and owner's equity	157,231	21,807,344	356,612	22,321,187
FX position on statement of financial position	1,047	(1,650,445)	45,964	(1,603,434)
FX position off-statement of financial position	-	714,492	(7,185)	707,307
Net on, off-statement of financial position				
FX position	1,047	(935,953)	38,779	(896,127)

(*) balances of these items do not include risk provision

48. RISK MANAGEMENT POLICIES (continued)

48.3 Liquidity risk

Liquidity risk is the risk that the Bank will not be able to meet its financial obligations as they fall due, or the risk that the Bank has to pay cost higher than the average cost of the market under the Bank's internal regulations in order to meet those obligations.

The Bank has maintained a liquidity risk management policy that ensures the following principles:

- Always maintain a portfolio of highly liquid assets to ensure payment needs, and regularly evaluate the market liquidity of this portfolio;
- Always focus on diversifying capital mobilization activities, enhancing access to capital markets; understand the reciprocal relationship of credit risk and market risk affecting the Bank's liquidity;
- Establish liquidity risk limits based on liquidity forecast results under normal scenarios as well as under stressful conditions; promulgate specific regulations on liquidity contingency funding plans.

The maturity terms of assets and liabilities represent the remaining period of assets and liabilities as calculated from the consolidated financial statements date to the maturity date/partial maturity date in accordance with contractual terms and conditions.

The following assumptions and conditions are adopted in the analysis of maturity of the Bank's assets and liabilities:

- Balances with the SBV including compulsory reserves are considered liquid assets;
- The maturity of securities is calculated based on investment purposes:
 - Securities held for trading are considered highly liquid and can be transferred immediately within 1 month;
 - Other types of investment securities are allocated based on the contractual maturity date of each kind of securities;
- The maturity of due from banks, due to banks, loans to customers and customer deposits are based on the contractual maturity date/partial maturity date. The actual maturity date can be adjusted from contractual term when the contract is extended. In fact, demand and term deposits of customers may be rotated, and therefore, lasting beyond the original maturity date;
- The maturity of loans to customers from debts purchased is determined based on the due date of the loan contract as prescribed;
- The maturity of fixed asset investments, capital contribution and share purchase are considered long-term because these investments do not have specific maturity date;
- The maturity of derivative contracts (Swap, Forward) is determined based on the contractual term of the transaction on the basis of clearing between cash inflows and outflows;
- The maturity of other assets and other liabilities are classified according to the payment characteristics of each item.

48. RISK MANAGEMENT POLICIES (continued)

48.3 Liquidity risk (continued)

Classification of assets and liabilities according to the original term prescribed in contracts or in the issuance term is as follows:

	Unit: VND million							Total
	Overdue		Current				Above 5 years	
	Above 3 months	Up to 3 months	Up to 1 month	1 - 3 months	3 - 12 years	1 - 5 years		
Assets								
Cash, gold and gemstones	-	-	1,393,551	-	-	-	-	1,393,551
Balances with the SBV	-	-	3,689,730	-	-	-	-	3,689,730
Due from banks (*)	-	-	29,650,783	5,188,053	4,197,184	207,580	-	39,243,600
Securities held for trading (*)	-	-	39,287	-	-	-	-	39,287
Derivative financial instruments	-	-	158,403	(153,246)	449,765	(8,578)	-	446,344
Loans to customers and debts purchased (*)	2,068,752	1,902,217	6,657,524	15,687,425	36,102,681	31,325,453	26,899,490	120,643,542
Investment securities (*)	-	-	299,684	67,446	7,028,385	11,486,762	12,671,810	31,554,087
Long-term investment (*)	-	-	-	-	-	-	10,036	10,036
Fixed assets	-	-	-	-	-	-	382,873	382,873
Other assets (*)	75,813	2,915	869,393	3,935,484	5,271,359	1,065,102	5,688,050	16,908,116
Total assets	2,144,565	1,905,132	42,758,355	24,725,162	53,049,374	44,076,319	45,652,259	214,311,166
Liabilities								
Borrowings from the Government and the SBV	-	-	1,650	-	1,001,629	11,281	-	1,014,560
Due to banks	-	-	35,409,512	5,502,416	8,400,232	1,062,000	-	50,374,160
Customer deposits	-	-	52,665,656	11,877,827	47,784,546	4,792,666	84	117,120,779
Valuable papers issued	-	-	115,300	24,790	3,053,250	8,406,174	-	11,599,514
Other liabilities (*)	-	-	2,423,686	600,603	1,999,420	988,003	1,135	6,012,847
Total liabilities	-	-	90,615,804	18,005,636	62,239,077	15,260,124	1,219	186,121,860
Net liquidity gap	2,144,565	1,905,132	(47,857,449)	6,719,526	(9,189,703)	28,816,195	45,651,040	28,189,306

(*) balances of these items do not include risk provision

49. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES

On 6 November 2009, the Ministry of Finance issued Circular No. 210/2009/TT-BTC providing guidance for the adoption in Vietnam of the International Financial Reporting Standards on presentation and disclosures of financial instruments ("Circular 210") with effectiveness from financial years beginning on or after 1 January 2011.

The Circular 210 only regulates the presentation of financial statements and disclosures financial instruments, therefore, the below definitions of financial assets, financial liabilities and other relating definitions are applied solely for the preparation of this note. The Bank's assets, liabilities and equity are still recognized and recorded in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions and statutory requirements relevant to preparation and presentation of the consolidated financial statements.

Financial assets

Financial assets of the Bank within the scope of Circular 210 comprise placements with other credit institutions, loans to customers and other credit institutions, account receivables and other financial assets under currency derivative contracts.

According to Circular 210, financial assets are classified appropriately, for the purpose of disclosures in the notes to the consolidated financial statements as one of the below items:

- **Financial asset at fair value through profit or loss**
Is a financial asset that meets either of the following conditions:
 - It is classified as held-for-trading. A financial asset is classified as held for trading if:
 - + It is acquired or incurred principally for the purpose of reselling or repurchasing it in the short term;
 - + There is evidence of a recent actual pattern of short-term profit-taking; or
 - + It is a derivative (except derivative that is a financial guarantee contract or effective hedging instrument).
 - Upon initial recognition, the entity categorizes the financial asset as such reflected at fair value through profit or loss.
- **Held-to-maturity investments**
Non-derivative financial instruments with fixed or determinable payments and fixed maturity period that the Bank intends and are able to hold until maturity, except:
 - The financial assets which were initially recognized were placed in the recognition group at fair value through profit or loss;
 - Financial assets that have been classified as available-for-sale; or
 - Financial assets that meet the definition of loans and receivables.
- **Loans and receivables**
Loans and receivables are non-derivative financial instruments with fixed or identifiable payments and not listed on the market, with the exceptions of:
 - The amounts that the Bank intend to sell immediately or in a near term, which are classified as assets held for trading, and those that the Bank upon initial recognition, categorizes as at fair value through profit or loss;
 - The amounts categorized by the entity as available-for-sale upon initial recognition; or
 - The amounts whose holders cannot recover most of the initial investment value not due to credit quality impairment and which are categorized as available-for-sale.
- **Available-for-sale financial assets**
Available-for-sale assets are non-derivative financial instruments determined as available for sale or not classified as:
 - Loans and receivables;
 - Held-to-maturity investments;
 - Financial assets recognized at fair value through profit or loss.

49. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES (continued)

Financial liabilities

Financial liabilities of the Bank under the Circular 210 consist of due to banks, valuable papers issued and other financial payables and other payables under currency derivative contracts.

According to Circular 210, financial liabilities are classified appropriately, for the purpose of disclosure in the notes to the consolidated financial statements, into one of the following categories:

- **Financial liability at fair value through profit or loss**

Financial liability recognized at fair value through profit or loss is a financial liability that satisfies either of the following conditions:

- It is classified as held-for-trading. A financial liability will be classified as securities held-for-trading if:
 - + It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - + There is an evidence that such instrument is traded for the purpose of gaining short-term profits; or
 - + It is a derivative financial instrument (except derivative financial instruments identified as financial guarantee contracts or effective hedging instruments).
- Upon initial recognition, the Bank categorizes the financial liability as such reflected at fair value through profit or loss.

- **Financial liabilities at amortized cost**

Financial liabilities that are not classified as at fair value through profit or loss are classified as at amortized cost.

Determine the fair value of financial instruments

The fair value of cash and short-term deposit is equivalent to their carrying value due to short-term maturity of these items.

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, the Bank has an enforceable legal right to offset the recognized amounts and the Bank has an intention to settle on a net basis or the realization of the assets and settle the liabilities is made simultaneously.

49. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The table below summarizes the carrying amount and fair value of financial assets and liabilities of the Bank as at 31 December 2022:

	Carrying value						Fair value VND million
	Fair value through profit or loss VND million	Held-to- maturity VND million	Loans and receivables VND million	Available- for-sale VND million	Amortized cost VND million	Total VND million	
Cash, gold and gemstones	1,393,551	-	-	-	-	1,393,551	1,393,551
Balances with the SBV	-	-	3,689,730	-	-	3,689,730	(*)
Due from banks	-	-	39,243,600	-	-	39,243,600	(*)
Securities held for trading	39,287	-	-	-	-	39,287	(*)
Loans to customers and debts purchased	-	-	120,643,542	-	-	120,643,542	(*)
Derivative financial instruments	446,344	-	-	-	-	446,344	(*)
Available-for-sale securities	-	-	-	31,554,087	-	31,554,087	(*)
Other long-term investments	-	-	-	10,036	-	10,036	(*)
Other financial assets	-	-	16,382,929	-	-	16,382,929	(*)
	1,879,182	-	179,959,801	31,564,123	-	213,403,106	
Borrowings from the Government and the SBV	-	-	-	-	1,014,560	1,014,560	(*)
Due to banks	-	-	-	-	50,374,160	50,374,160	(*)
Customer deposits	-	-	-	-	117,120,779	117,120,779	(*)
Valuable papers issued	-	-	-	-	11,599,514	11,599,514	(*)
Other financial liabilities	-	-	-	-	4,357,174	4,357,174	(*)
	-	-	-	-	184,466,187	184,466,187	

(*) The fair value of these financial assets and liabilities cannot be determined because there is no specific guidance on determination of fair value under Vietnamese Accounting Standards and Accounting System.

50. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 2 December 2022, the Bank successfully issued 14,250,000 shares under its employee bonus program (“ESOP”), bringing the total number of shares issued by the Bank to 2,000,000,000 shares, with charter capital equivalent to VND 20,000 billion. As at 31 December 2022, the Bank has not recorded an increase in charter capital because there has not been a decision of the SBV on the amendment of the License for Establishment and Operation.

On 9 January 2023, the State Bank of Vietnam issued Decision No. 45/QD-NHNN on amendments to the establishment and operation license of Vietnam Maritime Commercial Joint Stock Bank, the Bank has recognized capital charter increased to 20,000 billion VND from this point of time.

Apart from that, there has not been any matter or circumstance that has arisen since the statement of financial position date that has affected or may significantly affect the operations of the Bank, the results of its operations or the state of affairs of the Bank that requires disclosure in the separate financial statements.

51. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AND GOLD AGAINST VIETNAM DONG AT YEAR END

	31 December 2022 VND	31 December 2021 VND
USD	23,600	22,800
EUR	25,261	25,988
GBP	28,800	31,246
CHF	25,618	24,734
JPY	179	199
SGD	17,578	17,075
CAD	17,463	17,994
AUD	16,282	16,860

Prepared by:



Ms. **Duong Thi Thu Ha**
 Financial Reporting Manager

Hanoi, Vietnam
 06 March 2023

Reviewed by:



Ms. **Phung Thuy Nhung**
 Chief Accountant

Approved by:



Mr. **Nguyen Hoang Linh**
 Chief Executive Officer

ACTIVITY NETWORK

51 
 PROVINCES, CITIES

263 
 TRANSACTION POINTS

286 
 ATMs

- | | |
|-------------------|---------------------|
| 1 An Giang | 27 Kien Giang |
| 2 Ba Ria Vung Tau | 28 Kontum |
| 3 Bac Lieu | 29 Lang Son |
| 4 Bac Giang | 30 Lao Cai |
| 5 Bac Ninh | 31 Lam Dong |
| 6 Ben Tre | 32 Long An |
| 7 Binh Duong | 33 Nam Dinh |
| 8 Binh Dinh | 34 Ninh Binh |
| 9 Binh Phuoc | 35 Ninh Thuan |
| 10 Binh Thuan | 36 Nghe An |
| 11 Ca Mau | 37 Phu Tho |
| 12 Can Tho | 38 Phu Yen |
| 13 Da Nang | 39 Quang Binh |
| 14 DakLak | 40 Quang Nam |
| 15 Dong Nai | 41 Quang Ngai |
| 16 Dong Thap | 42 Quang Ninh |
| 17 Gia Lai | 43 Tay Ninh |
| 18 Ha Nam | 44 Thai Binh |
| 19 Ha Noi | 45 Thai Nguyen |
| 20 Ha Tinh | 46 Thanh Hoa |
| 21 Hai Duong | 47 Tien Giang |
| 22 Hai Phong | 48 Ho Chi Minh City |
| 23 Hau Giang | 49 Tra Vinh |
| 24 Thua Thien Hue | 50 Vinh Long |
| 25 Hung Yen | 51 Vinh Phuc |
| 26 Khanh Hoa | |



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