



ANNUAL REPORT

2023

CREATING SUSTAINABLE VALUES



Table of Contents

ANNUAL REPORT 2023

MESSAGE FROM THE CHAIRMAN AND CEO

1. Chairman's Message	6-7
2. CEO's Message	8-9

MSB AT A GLANCE

1. Overview	12
2. Vision, Mission, Core Values, Development Orientation	13-14
3. Milestones	15
4. Information about the Governance Model, Organizational Structure and Management Apparatus	16-17
5. Information about MSB's Shareholders and Shares	18-19

2023 BUSINESS PERFORMANCE REPORT

1. Macroeconomic Landscape	21
2. 5-Year (2018 - 2023) Strategic Plan Implementation Outcomes	21-24
3. Report and Assessment of the Board of Management	25-29
4. Core Business Performance	30-38
5. Risk Management for Sustainable Value Creation	39-41
6. People and Organization	42-52
7. Cultural Development Activities	53
8. Project Investment and Implementation	55-57
9. MSB's Environmental and Social Impact Assessment Report	58-66
10. Social Activities	67
11. Subsidiary's Operations	68

GOALS AND STRATEGIC ORIENTATION FOR 2024

1. Business Environment - Opportunities and Challenges	70
2. Development Strategy	71
3. Financial Goals	72-73

EVALUATION OF THE BOARD OF DIRECTORS ON BANKING OPERATIONS

1. Evaluation of the Board of Directors on Banking Operations	76
2. Assessment on the Board of Management's activities	76
3. Plans and Orientations of the Board of Directors	77

BANK GOVERNANCE

1. Bank Governance Snapshot	79
2. Investor Relations	79
3. Introduction on the Board of Directors, Board of Supervisors and Board of Management	80-93
4. Transactions, remuneration and benefits for the Board of Directors, Board of Management and Board of Supervisors	94

2023 AUDITED CONSOLIDATED FINANCIAL STATEMENTS (95-149)

OPERATION NETWORK (150-151)

MESSAGE FROM THE CHAIRMAN

Dear Valued Shareholders,

We have just gone through 2023 with intertwined advantages and challenges. We had an advantage when MSB entered a new stage of development with a high spirit of determination and a stable, solid foundation in term of people, technology, finance. A challenge came as the world in general and Vietnam in particular face persistent consequences after the Covid-19 pandemic, geopolitical instability, unpredictable exchange rate movements, interest rates, and recessions in some major economies.

Although the forecast for 2023 was relatively conservative, with efforts and flexibility, the Vietnam's economy still recorded positive results. Our economic growth reached 5.05% in 2023, positioning in the group of regional and global high growth economies. The average annual consumer price index increased by 3.25%, lower than the target of 4.5%. The currency and foreign exchange markets were basically stable; Inflation and public debt were controlled. Thanks to the above, Fitch Ratings upgraded the long-term national credit rating to BB+ (from BB), with a "Stable" outlook for Vietnam. Out of 62 countries in the Asia-Pacific region, Vietnam stood among the exclusive two that were upgraded.

At MSB, we understand that there are opportunities in challenges. This is the period for MSB to further enhance our internal strength, towards sustainable development. Therefore, in addition to strengthen our financial capacity, MSB focuses on three strategic foundations: Digitization; Risk Management; People and Culture. These pillars not only help MSB stand firm in fluctuations, but also quickly achieve the goal of becoming a "billion-dollar profitable bank" basing on "convenience and benefits" (optimal convenience, harmony of benefits) brought to our customers, shareholders and partners.

With a digital foundation, 2023 marked a "qualitative" change in MSB's digital transformation journey. Two key projects launched in 2021, Digital Factory (DF) and Core Banking System Modernization, have achieved outstanding results so far. Digital Factory helps MSB successfully market to customers at multiple touchpoints. At the same time, it meets the market diverse needs with product and service experience journeys conducted 100% online. In addition,

the core banking system completed rigorous testing and has been ready to come into operation in 2024. In addition to showing the strategic trend, these projects also demonstrate our strong determination in the actual actions of the Board of Directors and more than 6,000 employees; affirming the correctness in the orientation and foundation of the "customer-centric" culture that MSB pursues.

Facing market difficulties, risk management has become an important defensive barrier to strengthen business operations while protecting the bank's achievements against adverse developments. MSB has synchronously shifted risk management aspects to ensure operational safety, while adapting to the strong increase in digitization content in products and services. The management of various scenarios, accounting for variations in the economy has been always considered in every business decision of our bank. 2023 was also the first year that MSB completed and put into operation the Environmental and Social Risk Management System (ESMS) in credit granting activities, aiming to promote the "green" factor in the loan portfolio and improve responsibility in the bank's climate change adaptation journey, in parallel with the Vietnamese Government.

With the vision of "Becoming a bank which everyone wants to join and no one wants to leave", we clearly understand that "Happy employees will strive to make their customers happy". In particular, employees are the most valuable asset of the bank and the core of sustainable development. Last year, MSB launched the "Human Resource Service Journey Digitization" project to enhance the employee experience and continue to heavily invest in capacity development training programs. In addition, in the journey to building our corporate culture, in order to clearly affirm the new orientation in cultural development, the Board of Directors issued Resolution No. 0420/2023/NQ-HDQT on adjusting MSB's core values with the new values of "Customer Focus - Creativity - Responsibility - Efficiency - Humanity". At the same time, in parallel with the general strategy, our bank has developed a cultural development strategy for the 2023-2025 period. In 2024, besides continuing to popularize our corporate culture foundation, we will especially focus on implementing the "Servant Leadership" theme,



spreading the spirit of exemplary leadership - proactive openness - listening and sharing - supporting - accompanying - being responsible.

And in order to help MSB reach the next level, we are also actualizing and implementing specific action programs on ESG (Environment-Social-Governance) standards in line with the United Nations' Sustainable Development Goals (17 Sustainable Development Goals). MSB is currently contributing to 10 of the 17 United Nations' Sustainable Development Goals in Vietnam. In 2023, our bank published the first Independent Sustainability Report. Through the report, MSB aimed to standardize and transparentize information about the impacts of our business activities on the economy, environment and society. On that basis, our Board of Directors will integrate sustainable development criteria into the business strategy that MSB is pursuing, in order to ensure positive impacts and benefits for stakeholders.

In 2024 with many difficulties ahead, MSB will focus on business development prioritizing risk management, controlling non-performing loans (NPL) and expanding our credit portfolio into areas of sustainable development. Shifting banking activities to digital channels remains a priority and digitalization continues to be the key growth driver. "Flexible policy - Diversified solutions" is not only the principle that MSB is currently applying to our customers but also applies to our bank to

find the right direction to "overcome headwinds", bringing high value to our customers, shareholders and partners.

With a solid foundation and readiness, MSB will conquer the difficulties and challenges of 2024. On this journey, in addition to the determination of our Board of Directors and employees, we look forward to receiving the companionship of the Valued Shareholders, Customers and Partners, so that MSB continues to maintain our position as the bank with best customer understanding and high profitability in Vietnam.

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

Kind regards,

On behalf of Board of Directors

Tran Anh Tuan
Chairman

MESSAGE FROM CHIEF EXECUTIVE OFFICER

Dear Valued Customers, Partners, and Shareholders,

2023 was a difficult and challenging year for the economy in general and each business in particular. This was also the first year marking a new development path (2023-2027), laying the foundation for MSB's next 5-year strategy. In this context, on the one hand, MSB still strove to maintain our stable growth; On the other hand, the Bank continued to focus on strengthening internal resources, being ready to create growth momentum for the next development phases.

Overcoming "headwinds", MSB still achieved positive results in 2023. As at December 31st, 2023, MSB's total assets reached more than VND267,000 billion, increasing by 25% compared to 2022. Credit growth reached 22.4%, among the leaders in the sector, focusing on low-risk industries, gradually turning the credit portfolio in line with the greening trend and prioritizing sustainable development. Meanwhile, total deposits increased by 13%, reaching VND132,000 billion. MSB was in the Top 4 banks with the highest Current Account Savings Account (CASA) ratio in the banking system at 26.5%.

Regarding operational performance, MSB's total net income from business activities in 2023 reached approximately VND12,300 billion last year, an increase of 15% compared to 2022 with net interest income and net income from service activities both growing. The bank's cost-to-income ratio (CIR) reached 39.26%, 2 percent lower than the end of 2022. The above results helped MSB's 2023 pre-tax profit reach VND5,830 billion.

Along with maintaining good financial indicators, MSB always focused on ensuring safe operations according to the State Bank's regulations and international standards. By the end of 2023, the loan-to-deposit ratio (LDR) reached 67.55%, the ratio of short-term capital funding for mid-term and long-term (MTLT) loans was only 24.87%. The non-performing loan (NPL) ratio for bank only was 1.94%. MSB's consolidated capital adequacy ratio (CAR) reached 12.76%.

With the determination to implement comprehensive and synchronous digitalization across the entire business, last year, MSB successfully implemented many projects that are the foundation for the future digital roadmap, typically Low Code, ERP, New ATM projects, etc. and many projects to strengthen infrastructure capacity, improve management capacity and system integration. Along with that, risk management activities on the digital journey achieved many positive results when successfully deploying a lending platform on digital channels for corporate and individual customers. The system has automatically performed business information lookup, CIC criteria and scoring without human influence, thereby increasing processing speed up to 9 times compared to the traditional process. Customers can receive loan approval within 4 hours. Similarly, for individual customers, the project has allowed automating the income module, looking up 224 CIC criteria in just 3 minutes to quickly make approval decisions, early detection of risks, overdue forecasts and early warnings. On that basis, MSB has successfully digitized the entire credit granting journey (secured and unsecured loans) for corporate customers, raising the customer satisfaction score to 80.2/100.

The transformation in digitalization strategy has helped MSB bring many convenient financial solutions on digital channels to serve individual and corporate customers. In 2023, digital channels contributed more than 1.3 million new customers, bringing the total number of customers to 5.2 million; promoted the number of transactions on e-banking channels to reach 110 million transactions - an increase of 38% over the same period in 2022, total transaction value reaching VND1.5 quadrillion.

MSB's sustainable development journey last year set new milestones when MSB published the first a Sustainable Development Report (ESG Report) which was independent of the Annual Report; deployed Environmental - Social risk assessment for 100% of new loans from June 1st, 2023 with an Environmental - Social risk management system (ESMS) built according to international standards; signed a Letter of Interest



with the Dutch Entrepreneurial Development Bank (FMO) worth USD100 million focusing on small and medium enterprise's projects and green projects; participated in the COP28 Conference in Dubai as a sponsor... MSB has focused on researching internal capabilities along with the Government's direction to build MSB's Sustainable Development strategy in accordance with its business strategy.

MSB's continuous efforts in 2023 not only stopped at the above results, but the bank was also recognized by many prestigious international organizations with typical awards: Silver Award - Southeast Asia Risk Management Award (ASEAN Risk Champion Award 2023) awarded by the Singapore Enterprise Risk Management Academy (ERMA); the only bank honored by The Financial Times Magazine as Bank of the Year 2023; Best Digital Transformation Bank 2023 awarded by Global Brands Magazine...

Entering 2024, the economy is forecasted to face many difficulties, MSB's Board of Directors set a target of total assets increasing by 5%, equivalent to VND280,000 billion; pre-tax profit reaches VND6,800 billion, up 17%; capital mobilized in I

market and capital mobilization bonds reaches VND178,900 billion, an increase of 27%; credit balance grows by 18%, equivalent to VND178,200 billion.

I believe that with the foundation built over the years, the consensus and strong determination of the management team as well as all our employees, MSB will firmly overcome challenges and be full of enthusiasm and spirit to complete the set goals in 2024.

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



Trade name:

- Official name in Vietnamese: **NGÂN HÀNG THƯƠNG MẠI CỔ PHẦN HÀNG HẢI VIỆT NAM**
- International name: **VIETNAM MARITIME COMMERCIAL JOINT STOCK BANK**
- Trade name: MSB
- Abbreviated name: MSB



Charter capital:

- **VND20,000,000,000,000**
- In words: Twenty trillion Vietnamese Dongs



Stock symbol: **MSB**



Network:

As of December 31, 2023, MSB had 263 branches and transaction offices spread across 51 provinces/cities nationwide. MSB's core markets include Hanoi and Ho Chi Minh City with the proportion of deposits and loans accounting for 54-60% for Hanoi and 16-20% for Ho Chi Minh City



Business Registration Certificate:

Business Registration Certificate: No. 0200124891 issued by the Department of Planning and Investment in Hanoi City for the first time on July 1st, 2005 (originally Business Registration Certificate No. 055501 issued by the Economic Arbitrator (now known as the Department of Planning and Investment) in Hai Phong City on March 10th, 1992); amended for the 26th time on January 13th, 2023.



Head Office address:

- No. 54A Nguyen Chi Thanh Street, Lang Thuong Ward, Dong Da District, Hanoi City, Vietnam
- Telephone: (024) 3771 8989
- Fax: (024) 3771 8899
- Website: www.msb.com.vn



Business line:

Banking operations such as accepting deposits, lending to customers, generating income from interest, account for a major proportion of MSB's total operating income.

VISION, MISSION, CORE VALUES, DEVELOPMENT ORIENTATION

VISION

BECOMING A BANK WHICH EVERYONE WANTS TO JOIN AND NO ONE WANTS TO LEAVE

MISSION

FOR A MORE CONVENIENT AND BENEFICIAL LIFE

CORE VALUES



Customer Focus

MSBers put customers at the center of every thought and action

Creativity

MSBers continuously innovate, are open to change and promote new ideas



Responsibility

MSBers are committed to doing right, doing enough, to the end, for the common goal

Efficiency

MSBers focus on goals and fiercely create values



Humanity

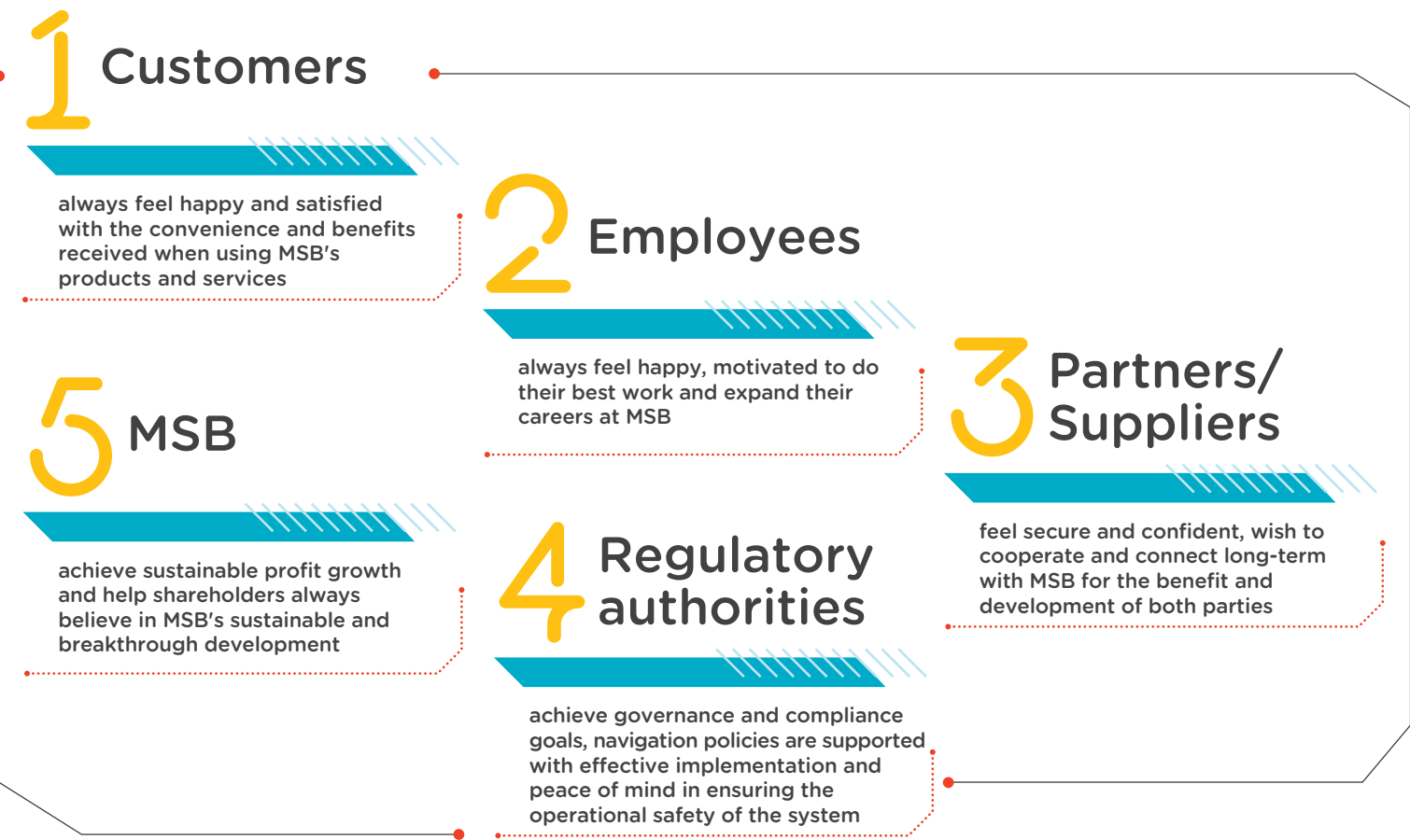
MSBers value people and strive to build a happy environment for MSB people and the community

MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY, SUSTAINABLE DEVELOPMENT GOALS

MSB is one of the pioneering banks implementing digital transformation in the market, aiming to become a bank with a leading digital platform with the best customer service experience. From that orientation, MSB focuses on digitizing products and internal processes, improving working methods, and changing thinking by implementing major transformation programs from the core technology platform, bringing advanced banking products and services with high value for customers.

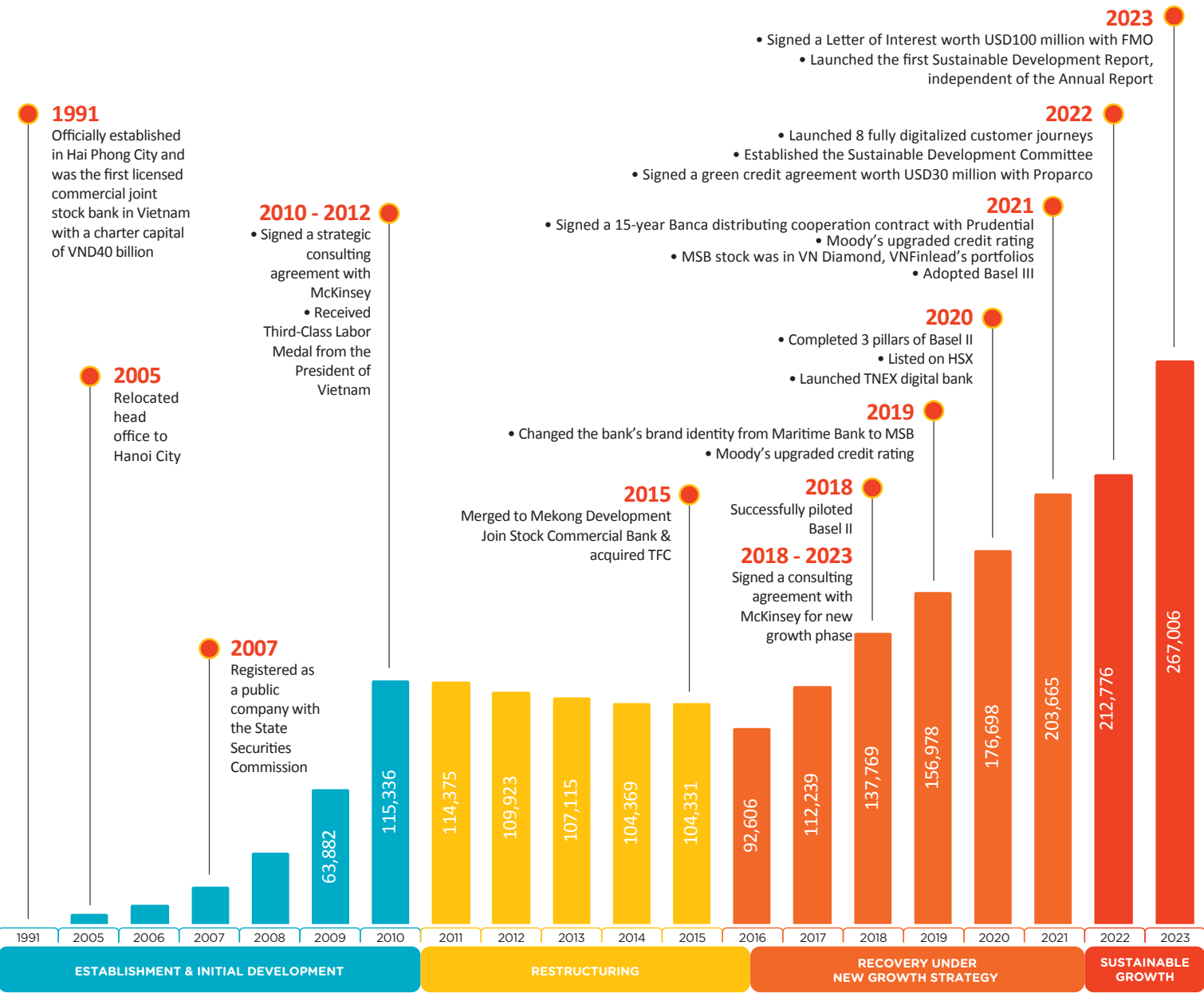
As the first joint stock commercial bank established in Vietnam, MSB is always aware of its pioneering role in transformation, orienting new trends as well as accompanying stakeholders in the business journey, elevate its position, thereby joining hands to help Vietnam develop strongly, ensuring international commitments and sustainable growth. Therefore, all MSB's action strategies are aimed at this goal. At the same time, MSB wants to contribute to improving the quality of life for Vietnamese people and the development of Vietnamese businesses by experiencing the most convenient and beneficial financial products and services. Along with that, MSB also builds an ideal working environment for its employees, helping each individual create and enhance their career and create a happy life.

On that journey, MSB always maintains its commitments to customers, regulators, partners, employees and investors, specifically:

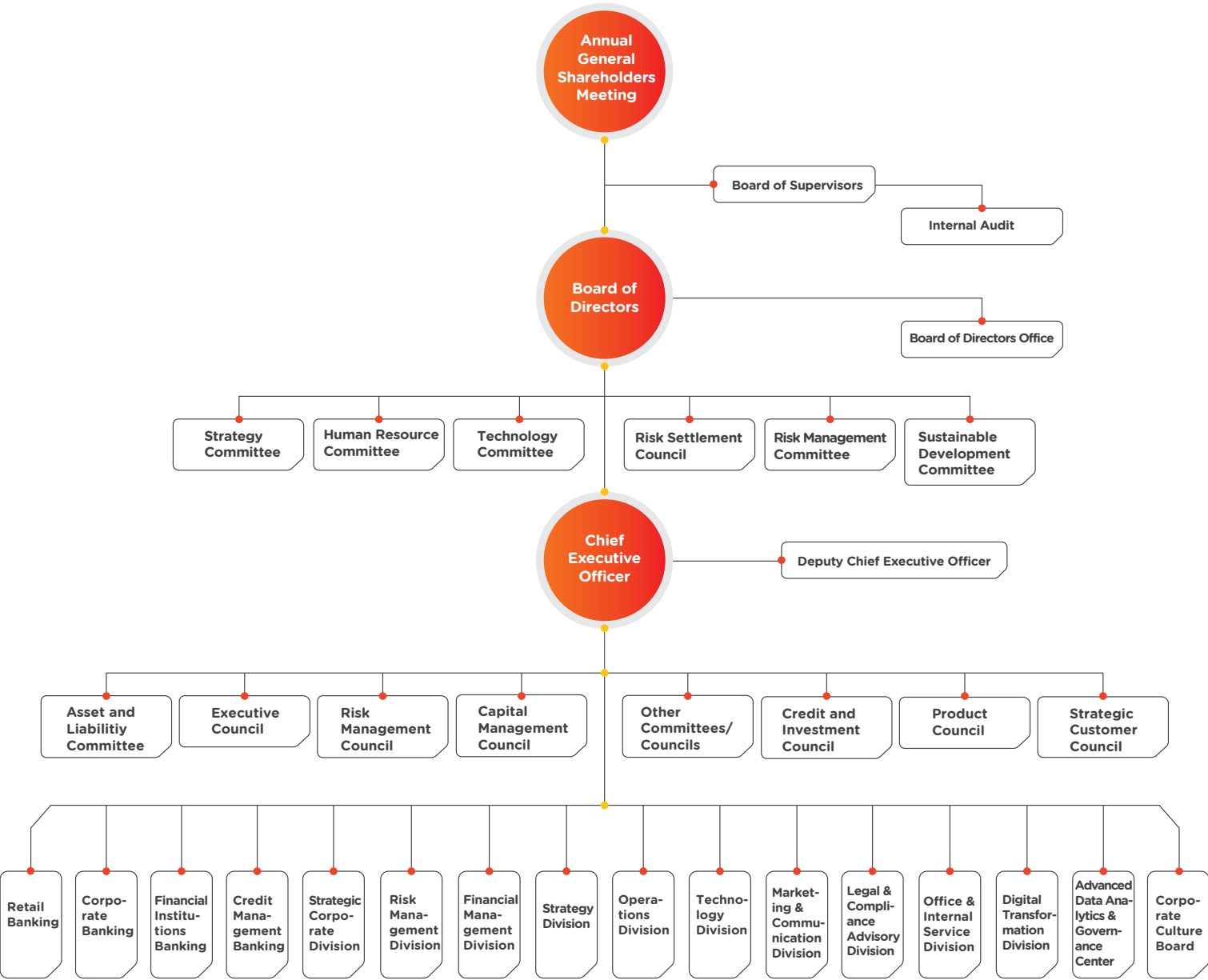


MILESTONES

Vietnam Maritime Commercial Joint Stock Bank (MSB) was established in 1991 in Hai Phong City. After 32 years of development, with a charter capital of up to VND20,000 billion and a team of more than 6,000 highly qualified employees, MSB has developed and become one of the prestigious banks in Vietnam, providing comprehensive banking and financial solutions to all customers in the economy.



INFORMATION ABOUT THE GOVERNANCE MODEL, ORGANIZATION STRUCTURE AND MANAGEMENT APPARATUS



• General Meeting of Shareholders (GMS)

The General Meeting of Shareholders includes all shareholders with voting rights and is the highest competent body, deciding on important issues of MSB according to the provisions of law and the Charter. The General Meeting of Shareholders operates through annual meetings, extraordinary meetings and collects shareholders' written opinions. The General Meeting of Shareholders has the right to approve MSB's development orientation; elect and dismiss members of the Board of Directors and Board of Supervisors and exercise other powers.

• Board of Directors (BOD)

The Board of Directors is the governing body of MSB, with full authority on behalf of MSB to decide and implement the rights and obligations of MSB, except for issues falling under the authority of the General Meeting of Shareholders. MSB's Board of Directors includes 07 members, consisting of 01 independent member and 06/07 non-executive members; Chief Executive Officer cum Member of the Board of Directors.

The Board of Directors establishes Committees to advise the Board of Directors in bank management, implementation of strategies and business plans; ensuring effective, safe and targeted development. The Committees include: Risk Management Committee, Risk Settlement Council, Human Resources Committee, Strategy Committee, Technology Committee, Sustainable Development Committee, Office of the Board of Directors.

• Board of Supervisors (BOS)

The Board of Supervisors performs internal audit, controls and evaluates compliance with the law, internal regulations, Charter and Resolutions, and decisions of the General Meeting of Shareholders and the Board of Directors. MSB's Board of Supervisors has 03 members and all of them are dedicated members.

The Board of Supervisors has a supporting department and an internal audit department which can use MSB's resources, and hire outside experts and organizations to perform their tasks.

• Chief Executive Officer (CEO) - Legal Representative of MSB

The Chief Executive Officer is the highest executive of MSB, manages the bank's daily business, is subject to the supervision of the Board of Directors and the Board of Supervisors, and is responsible to the Board of Directors and to the law for exercising rights and duties in accordance with the law and MSB's Charter.

Currently, the staff assisting the CEO are Deputy CEO, Chief of the CEO's Office, Directors of Divisions/Departments and Professional Councils including: Capital Management Council, Product Council, Asset-Liability Committee (ALCO), Executive Council, Risk Management Council, Credit and Investment

Council, Strategic Customer Council. Units directly under the CEO include: Retail Banking, Corporate Banking, Financial Institution Banking, Strategic Corporate Division, Credit Management Banking, Operations Division, Risk Management Division, Financial Management Division, Marketing and Communications Division, Legal Consulting and Compliance Division, Technology Division, Strategy Division, Digital Transformation Division, Office & Internal Services Division, Advanced Data Analysis Center, Corporate Culture Board.

MSB's organization structure is designed to ensure separation between business and support activities: Specialized banks focus on development activities and promoting customers. Support units ensure specialized roles such as operations, technology, and risk management.

Specialized banks follow customer segmenting orientation. MSB implements an internal management structure according to the model of each specialized bank as a small independent bank (bank in bank model), with autonomy in cost, revenue and profit management, thereby promoting task and requirement implementation progress smoothly and effectively.

• Subsidiary

In 2023, MSB has only one subsidiary, TNEX Finance Company Limited (TNEX Finance). TNEX Finance's predecessor was FCCOM. The name change has been carried out since the fourth quarter of 2023.

Address: Technical Floor, Thang Long Tower, No. 98, Nguy Nhu Kon Tum Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi City, Vietnam
Telephone: (84-24) 3259 5063

Registered charter capital:
VND500,000,000,000

MSB's ownership ratio:
100%

Business lines:
Fund mobilization, credit granting, and other activities

Affiliates:
MSB does not have any affiliate

INFORMATION ABOUT MSB’S SHAREHOLDERS AND SHARES



THE STOCK SYMBOL

MSB

Vietnam Maritime Commercial Joint Stock Bank has been listed on the Ho Chi Minh Stock Exchange - HSX since December 23rd, 2020



CAPITALIZATION

26,000 BILLION VND


at December 31st, 2023



CHARTER CAPITAL

20,000 BILLION VND

As at December 31st, 2023, the total number of common shares of MSB was: 2,000,000,000 shares



THE TOTAL NUMBER OF SHARES

- Number of outstanding shares: **2,000,000,000** shares
- Total number of registered shares: **2,000,000,000** shares
- Total number of listed shares: **2,000,000,000** shares
- Number of treasury shares: **0** share
- Number of free-float shares: **1,954,792,660** shares
- Number of non free-float shares¹: **45,207,340** shares

SHAREHOLDER STRUCTURE

As at December 31st, 2023, MSB's shareholder structure was as follows:

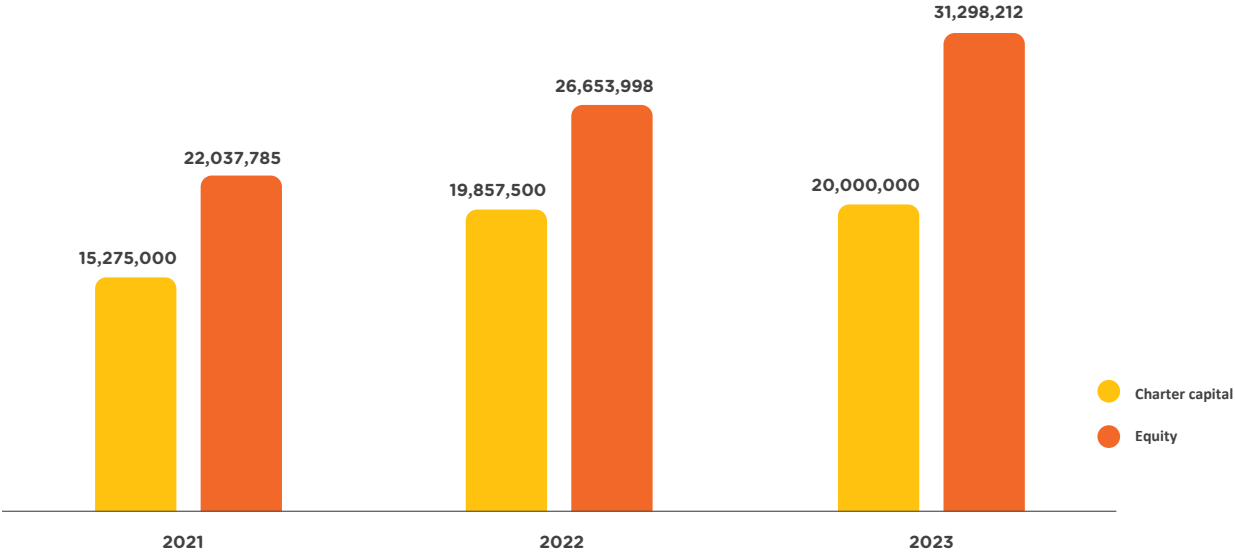
Type of shareholder	Total number of shareholders	Share ownership ratio (%)
Domestic shareholders, including:	33,885	70.25
• Individual	33,777	35.83
• Organization	108	34.42
Foreign shareholders, including:	130	29.75
• Individual	100	9.74
• Organization	30	20.01
TOTAL	34,015	100

Of which, Vietnam Posts and Telecommunications Group (VNPT) has been MSB's major shareholder, owning 120,965,367 shares, equivalent to 6.05% of charter capital.
The total number of shares owned by State shareholders at MSB was 130,544,043 shares, equivalent to 6.53% of charter capital.
The total number of shares owned by foreign shareholders at MSB was always guaranteed to be less than 30% according to the law. As at December 31st, 2023, MSB had 130 foreign shareholders, including 100 individual shareholders and 30 foreign organizations, owning 29.75% of charter capital.

¹According to the provisions of Clause 1, Article 56, Law on Credit Institutions No. 47/2010/QH12 dated June 16th, 2010, a shareholder is an individual or organization whose representative is a member of the Board of Directors, a member of the Board of Supervisors, or Chief Executive Officer (Director) of a credit institution that is not allowed to transfer his/her shares during his/her tenure of office. This number of transfer-restricted shares included ESOP shares issued in 2021 and 2022 and shares pledged by shareholders.

SITUATION OF CHANGES IN OWNER’S INVESTMENT CAPITAL

Charter capital and equity of MSB according to 3-year audited financial statements:



In 2023, MSB did not increase share capital or issue shares. As at December 31st, 2023, MSB's charter capital was VND20,000 billion², and there wasn’t transactions related to treasury shares, the number of MSB’s treasury shares was 0 share.

Unit: million VND		Separate		Consolidated	
		2023	2022	2023	2022
	EQUITY	31,365,617	26,713,467	31,298,212	26,653,998
1	Capital of Credit Institutions	20,034,068	19,891,568	20,034,068	19,891,568
	Charter capital	20,000,000	19,857,500	20,000,000	19,857,500
	Basic construction investment capital and fixed asset purchase	608	608	608	608
	Surplus equity	33,460	33,460	33,460	33,460
	Treasury shares	-	-	-	-
	Preferred shares	-	-	-	-
2	Funds of Credit Institutions	2,587,378	1,894,182	2,589,959	1,896,036
3	Undistributed Profits/ Accumulated Losses	8,744,171	4,927,717	8,674,185	4,866,394

²As at January 1st, 2023, MSB completed the increase in charter capital to VND20,000 billion after issuing shares under the ESOP. However, due to the extension of the procedure to change MSB's operating license to early 2023, the accounting of charter capital of VND20,000 billion was carried out in January 2023. Therefore, according to the 2022 Audit Report, as of December 31st, 2022, MSB's charter capital only reached VND19,857.5 billion.

2023 BUSINESS PERFORMANCE REPORT



MACROECONOMIC LANDSCAPE

The world economy in 2023 continued to face many difficulties and challenges as geopolitical conflicts has increased, inflation has cooled down but remained high, and tightening monetary policy has not ended. Most economies in the world had lower growth than expected. Global economic growth in 2023 was lower than in 2022 and reached about 3.1%, of which the group of leading economies in the world only achieved GDP growth of 0.7%, while the group of developing economies developed and emerging markets grew about 4%. The total value of global trade transactions in 2023 also decreased by about 5% compared to the level of US\$32,200 billion set in 2022, mainly due to reduced consumption and production demand.

However, the bright spot of the world economy last year was that inflation pressure cooled sharply. The IMF report showed that core inflation was on track to decrease from 9.2% in 2022 to 5.9% in 2023 and this trend will continue to about 4.8% in 2024. Cooling inflation in developed countries opened up opportunities for Central Banks to start cutting interest rates next year. Although GDP growth was slow, it was not falling into recession. Unemployment rates in most leading economies were about 0.5 percentage points below pre-pandemic levels. This is one of the indicators showing that the global economy will have a "soft landing" in 2024.

In that context, Vietnam's GDP growth for the whole year 2023 reached 5.05%, significantly higher than the economic growth level of developing countries. The average CPI for the whole year increased by 3.25%, much lower than the target of 4.5% assigned by the National Assembly. Another bright spot of the economy came from the investment sector. Public investment by the end of 2023 recorded an increase of 29% comparing to the previous year, foreign investment (FDI) registered in Vietnam reached US\$36.6 billion, an increase of 32%. Growth in the service and consumption sector in 12 months reached 9.6%, significantly improving compared to the beginning of the year.

However, with the great openness of the economy combined with existing shortcomings, Vietnam's industrial production, import-export, tourism, and consumption activities in 2023 faced some difficulties when export turnover decreased by 4.4%, imports decreased by 8.9% over the same period last year, mainly due to reduced world demand. Total retail sales of consumer goods and services increased by 9.6%, lower than the same period last year. Demand declined, international and domestic tourism growth didn't met expectations.

In 2023, the Government proactively implemented many solutions to remove difficulties, promote growth, and maintain macroeconomic stability. Solutions have been actively implemented such as: reduce interest rates, stabilize the foreign exchange market; promote disbursement of public investment capital; deploy many credit packages to support industries and fields; reduct taxes, fees, land use fees; extend electronic visa validity period for tourists; resolve difficulties and obstacles in the corporate bond and real estate markets... Therefore, the positive trend was maintained and become increasingly clearer in many industries and fields.

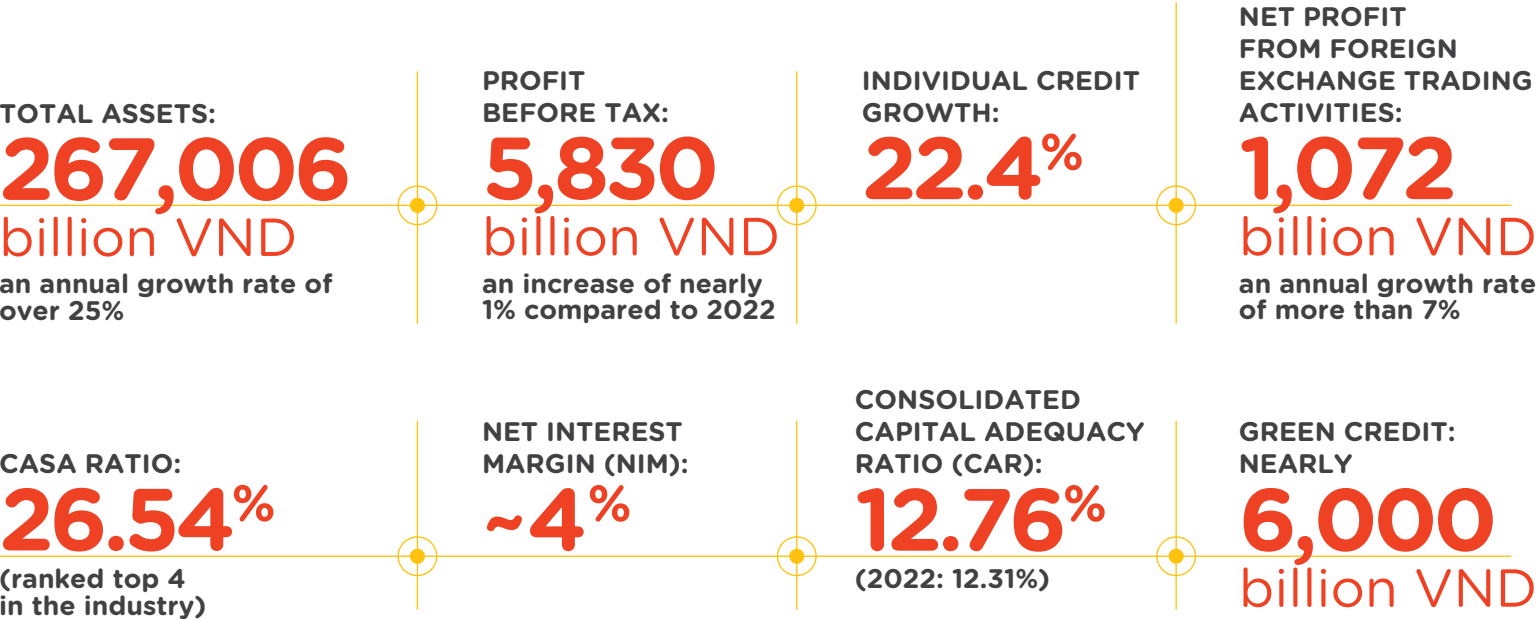


5-YEAR (2018 - 2023) STRATEGIC PLAN IMPLEMENTATION OUTCOMES

FEATURED EVENTS

- One of the banks with the highest credit growth in the system (22.4%) thanks to ensuring financial safety and liquidity ratios, high commitments to regulators and actively supporting customers overcoming difficulties after the pandemic.
- The industry-leading group had the highest ratio of demand deposits (CASA) to total deposits in the system, especially CASA source was largely contributed from the bank's strategic customer file (retail customers and small and medium enterprises, SME).
- Leading market share in government bond trading (12.2% of market share for 2023).
- Risk management and liquidity assurance tasks was focused in the context of unpredictable market fluctuations: The consolidated CAR level was at the highest level in the last 5 years - 12.76%, the short-term capital ratio used for medium and long-term loans (MTLT) was at a good level of 24.87%, a positive level compared to general level of banks in the system.
- The amount of deposits from individual customers - the group that created the best ability to withstand fluctuations - increased by 26% compared to 2022, accounting for 57% of MSB's total deposits.
- The proportion of loans to the real estate industry decreased, and investment in corporate bonds decreased sharply.
- The environmental and social risk management system (ESMS) according to international standards has been applied to 100% of the loan approval process from June 1st, 2023.
- Enhancing commitments with the Vietnamese Government and internationally in the process of greening Vietnam, bringing the country towards net zero carbon emissions by 2050.
- For the first time, releasing a sustainable development report independent of the annual report, disclosing emissions from the bank's internal operations and commitments on green banking orientation.

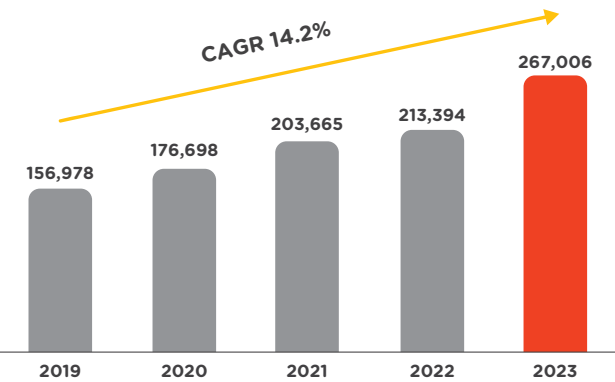
MSB’S 2023 BUSINESS RESULTS ALSO RECORDED POSITIVE GROWTH:



JOURNEY TO REACH THE TOP OF PRIVATE BANKS BASED ON OUTSTANDING 5-YEAR ACHIEVEMENTS

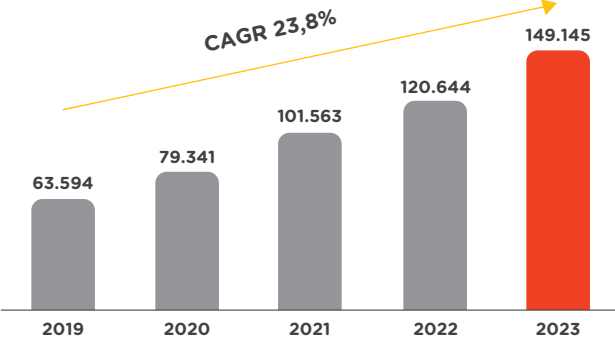
Total assets

MSB's total assets increased more than 1.7 times after 5 years of the strategic period, reaching more than VND267,006 billion, bringing the annual compound growth rate to 14.2% with the main motivation coming from customer loan growth.



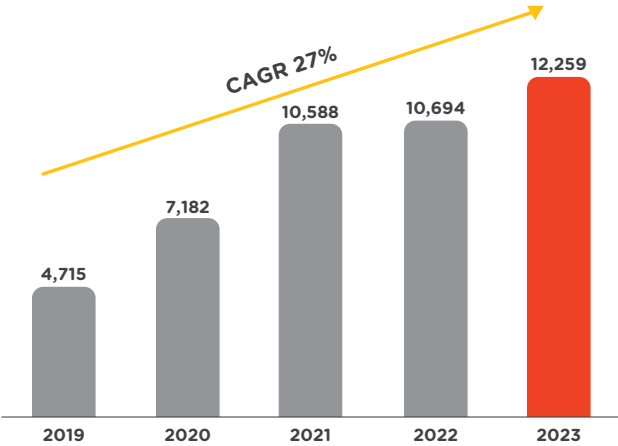
Loans to customers

Always on the list of leading banks in the industry granted the highest credit growth limits thanks to the criteria of capital safety, liquidity, disbursement customer base in accordance with the Government's orientation and always complying with regulations and contracts; accompanying the Regulatory Authorities in market management activities, MSB marked a compound growth in customer loans for the period 2019-2023 at 23.8%. The proportion of individual customers and small and medium enterprises gradually increased in the total outstanding credit balance in accordance with MSB's long-term strategy.



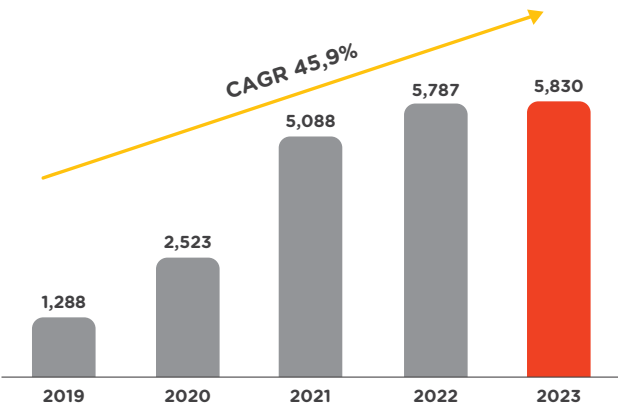
Total operating income (TOI)

MSB's total operating income grew dramatically in the period 2019 - 2021 when TOI in 2021 increased nearly 2.5 times compared to 2019. Compound annual growth for the entire strategic period reached nearly 27% with the majority of net interest income, specifically about 75% in 2023 of total TOI. MSB's strategic is heading increase the proportion of non-interest income up to 30% of total TOI with a diverse source of fee income from new products and services suitable to customer needs.



Profit before corporate income tax

With a strategy focusing on exploiting the individual customer segment and small and medium-sized corporate customers, sales policies, and ecosystem exploitation strategies with products specifically designed according to customer needs, MSB's pre-tax profit made great leaps, specifically pre-tax profit in 2023 increased more than 4.5 times compared to 2019, bringing the compound annual growth rate in this period to nearly 46%.



Achieved strategic results

At the end of the 5-year strategic period 2018 - 2023, MSB has successfully completed the set goals, particularly many goals such as profit, total operating income (TOI)... were accomplished before the assigned deadline. In addition, key financial criteria also met and exceeded the plan, typically ROA, ROE, ratio of fee income/average annual revenue. Regarding non-financial indicators, the organizational health index (OHI) reached 93 points, the proportion of new individual customers via digital channels increased significantly over 80%, and the performance of the sales force also grew dramatically.

For physical transaction channels, MSB aims to focus on in-depth development, selecting areas according to focus to centralize resources, exploit effectively and maximize market potential. MSB currently has 263 Branches/Transaction Offices and 285 ATMs spreading across 51 provinces and cities nationwide. In addition, digital channels are focused on developing to ensure consistent provision of products, services and experiences to customers across multiple touch points.

Steadfast development according to selected strategic segments, focusing on individual customers and small and medium enterprise customers has helped MSB have rapid scale growth; at the same time, constantly increase the proportion of demand deposit mobilization to ensure the development of a stable capital structure with low capital costs, creating a foundation for credit growth and improving business performance.

MSB is one of the pioneering banks in the field of digital transformation. The establishment of Digital Factory and transformation programs have helped MSB completely digitize many customer journeys and internal processes, increase customer experience on digital channels, reduce paperwork time, improve labor productivity, and optimize operating costs. Business results from digital channels have gradually contributed greatly to the bank's overall results.

In the 2018-2023 journey, MSB achieved transformational steps in human resource development/training, appointing talented officers from the talent pool, key personnel, and mid-level officers, reducing turnover rate, implementing an ESOP employee selection program, rewarding 30-year commitment, and implementing many activities to build a rich MSB culture towards employee experience. With the vision of becoming a bank which everyone wants to join and no one wants to leave, MSB will continue the journey of creating a lean, high-performance working culture, attracting and recruiting talent.

MSB's Core Operating Targets for the 2019-2023 Period

Scale (billion VND)	2019	2020	2021	2022	2023
Total assets	156,978	176,698	203,665	212,776	267,006
Loans to customers	63,594	79,341	101,563	120,644	149,145
Investment securities	46,233	55,884	48,296	31,593	37,897
Customer deposits	80,873	87,510	94,616	117,121	132,350
CASA/Total deposits (%)	20.67%	29.29%	35.84%	31.16%	26.54%
Equity	14,864	16,875	22,038	26,654	31,298
Charter capital	11,750	11,750	15,275	19,857.5	20,000
Business performance (billion VND)	2019	2020	2021	2022	2023
Net interest income	3,062	4,822	6,216	8,322	9,189
Non-interest income	1,653	2,360	4,372	2,371	3,070
Operating expenses	2,502	3,586	3,932	4,428	4,812
Redundancy costs	925	1,073	1,568	479	1,617
Profit before tax	1,288	2,523	5,088	5,787	5,830
Profit after tax	1,044	2,011	4,035	4,616	4,644
Capital adequacy ratio (%)	2019	2020	2021	2022	2023
CAR	10.25%	10.56%	11.52%	12.31%	12.76%
Tier 1 CAR	9.95%	11.06%	11.89%	12.68%	12.98%
Equity/Total assets	9.47%	9.55%	10.82%	12.53%	11.72%
Liquidity (%)	2019	2020	2021	2022	2023
Loan outstanding balance/Total assets	40.51%	44.90%	49.87%	56.70%	55.86%
Loan – to – deposit ratio (LDR)	55.05%	62.32%	65.00%	68.77%	67.55%
Short-term capital for mid-term and long-term (MTLT) loans	24.87%	24.87%	24.87%	24.87%	24.87%
Asset quality	2019	2020	2021	2022	2023
Non-performing loans (NPL – Bank only)	1.71%	1.62%	1.15%	1.21%	1.94%
Profitability (%)	2019	2020	2021	2022	2023
ROE	7.23%	12.62%	19.82%	18.44%	15.56%
ROA	0.71%	1.21%	2.10%	2.31%	1.88%
NIM	2.51%	3.35%	3.63%	4.50%	3.98%
Fee income/TOI	11.08%	11.43%	27.14%	10.40%	13.03%
Operating expenses/TOI	60.25%	49.17%	37.14%	41.39%	39.26%

REPORT AND ASSESSMENT OF THE BOARD OF MANAGEMENT

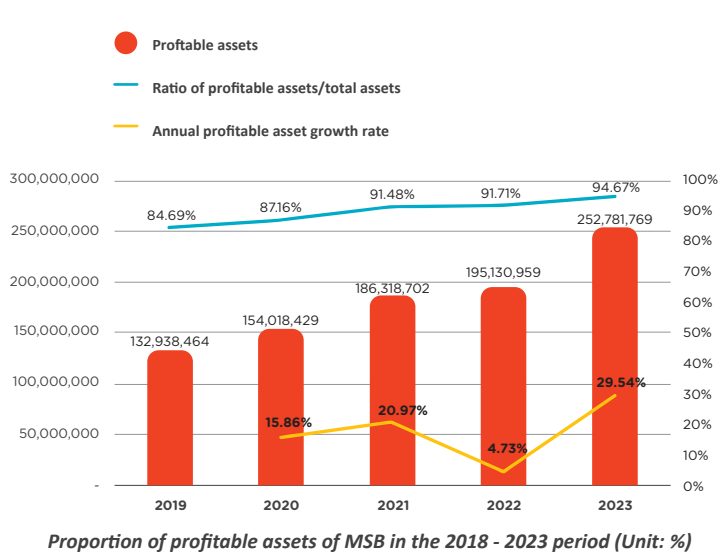
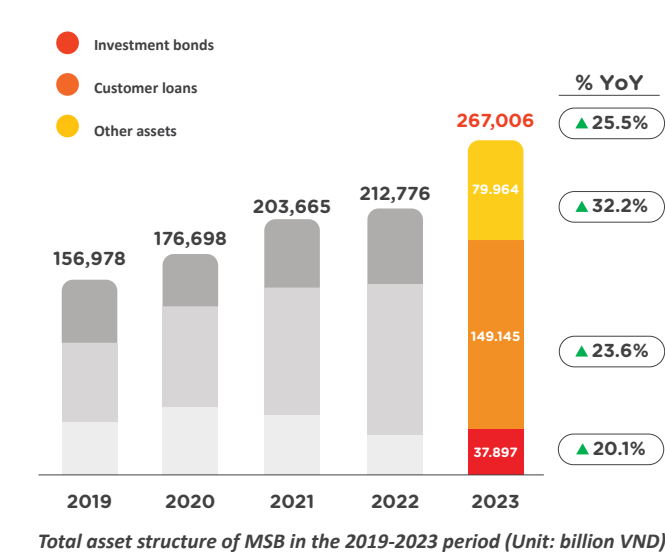
2023 – The year of challenges and joint efforts to overcome difficulties

With the joint contributions of more than 6,000 employees across the system, MSB closed 2023 with positive results not only shown by the numbers of financial targets but also qualitative achievements, such as risk management, ensuring operational safety, liquidity, good customer support through lowering interest rates, controlling non-performing loans (NPL), product development, digitalization to shorten processes, reducing time in internal processes and product approvals. MSB aimed for smooth governance, complying not only with the criteria and regulations of the Regulatory Authority but also satisfying the requirements of international standards in operations. MSB also had a year of promoting sustainable development activities, all business activities are gradually integrated with Environmental - Social factors, ensuring harmony of interests of stakeholders without damaging the environment, while continuing to join hands with the community in many social responsibility projects.

MSB has taken appropriate adaptive actions to respond to unpredictable developments in interest rates, exchange rates, product trends... Specifically, with experience in effective management of capital use and appropriate profitable asset structure, MSB in 2023 achieved a positive net interest margin (NIM), minimizing impacts from the market. Accurate exchange rate fluctuation forecasts and flexible risk management products for customers helped MSB maintain a good position in foreign exchange activities. The digitalized risk management system with a number of credit products brought benefits to customers and supported the increase of strategic customer base. Based on correct short-term strategies and ensuring long-term orientation, MSB went through a turbulent year with safe and effective growth rates.

TOTAL ASSETS – TOTAL DEBT AND EQUITY

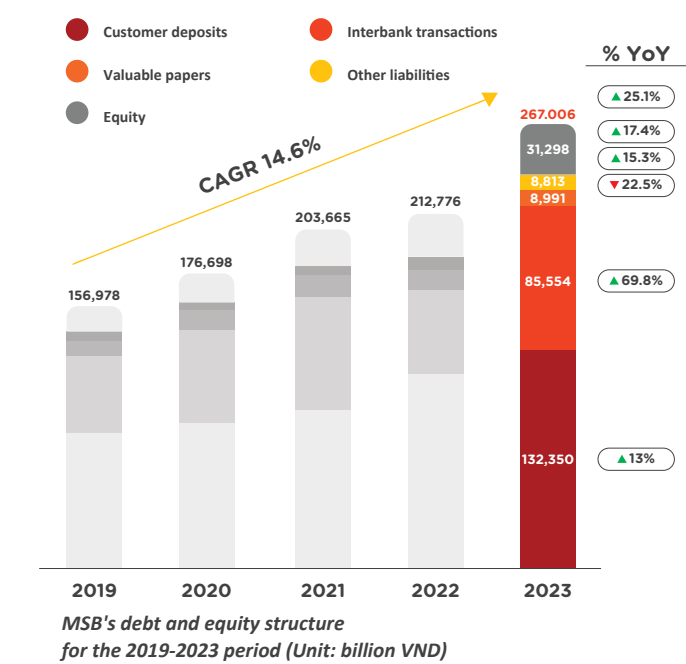
Total assets



MSB's total consolidated assets at the end of 2023 reached more than VND267,006 billion, growing more than 25% in 2023, mainly with the contribution of "loans to customers" when the growth of these five segments reached over 23.6%. Total assets exceed the 2023 plan by more than VND37,000 billion, equivalent to 16%. MSB's earning assets accounted for nearly 95% of total assets, supporting the improvement of MSB's net interest margin (NIM), and this proportion over 5 years has shown an improvement in MSB's asset quality in accordance with the strategic orientation.

In 2023, MSB increased the proportion of Government Bonds by increasing nearly VND6,000 billion in MSB's Investment Securities basket. This was a stable, profitable asset with the potential to contribute good profits to MSB. On the other hand, when corporate bonds were having problems in the market in general, MSB was one of the banks with the lowest amount of these bonds. The bank reduced corporate bonds by more than VND1,000 billion in 2023 and only held more than VND1,500 billion at the end of the year.

Total Debt and Equity – Source of Capital



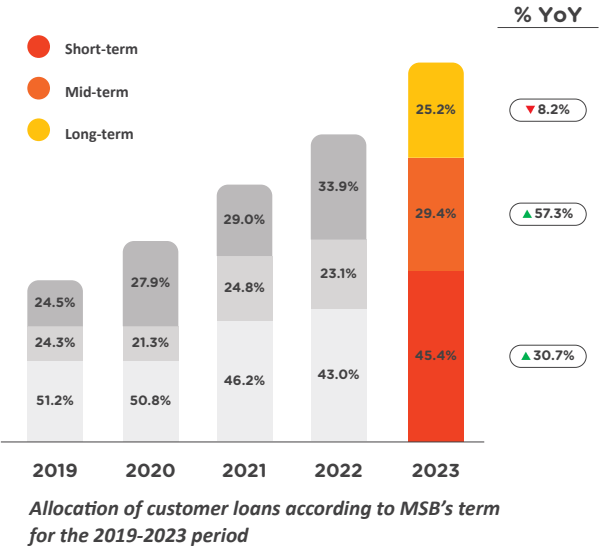
Customer deposit was major contribution in MSB's source of capital, accounting for 50% of total capital and growing by 13% compared to 2022. In more than VND132,000 billion of customer deposits, deposits from individual customers accounted for 57%, increased 26% over the same period in the previous year. Increasing the proportion of contributions from individual customers was one of MSB's goals to create "durability" for MSB's mobilized capital.

In 2023, MSB did not pay dividends to shareholders from accumulated profits of 2022 according to the plan approved by the Annual General Meeting of Shareholders. MSB's equity capital grew by 17.4% compared to the end of 2022 and was effectively used for capital business activities.

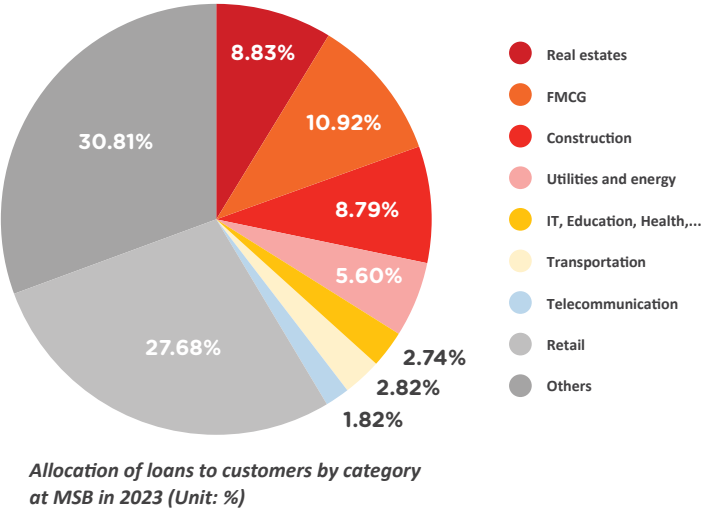
LOANS TO CUSTOMERS

In 2023, MSB was on the list of banks granted the highest percentage credit growth limit in the industry. According to consolidated book data, credit growth increased by 22.27% compared to 2022. This limit was approved by the State Bank, based on operational safety criteria, ensuring risk management and that credits were disbursed in accordance with the Government's support orientation. With a relatively strict risk appetite, MSB applied a rigorous loan appraisal process, centralized approval and an effective post-loan control system. This was also a supporting factor for MSB's relatively high annual credit growth. In the last 5 years, MSB's compound annual growth in credit reached 23.8%/year.

MSB's total customer loans in 2023 reached VND149,145 billion, with an allocation to individual and SME customers of nearly 60%, growing by 10% and 19% respectively over the same period last year. With fluctuations in domestic market interest rates greatly influenced by the trend of increasing interest rates in the international market in nearly 3 quarters of 2023, customer loan demand was also affected due to concerns about long terms. Short-term and mid-term loans increased by 30.7% and 57.3% respectively over the same period, accounting for nearly 75% of total customer loans.



The proportion of individual customer loans accounted for 27.7% of MSB's total loan portfolio, of which about 50% were real estate loan products, 15% were consumer loan products, more than 11% of loan advances from term deposits, nearly 9% from credit cards...



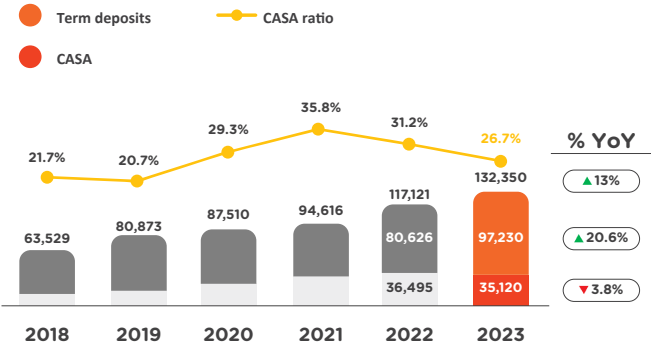
Of the total credit granted to corporate customers, MSB targeted businesses in the manufacturing, real estate and construction, energy and utilities industries. Although MSB's proportion of real estate and construction loans in 2023 decreased compared to 2022, each industry only accounted for about 8.8% of the bank's total credit portfolio, MSB still aimed to reduce the proportion of these two industries and promote credit to support production, export, education and customers with "green" factors.

By the end of 2023, MSB's total green credit according to classification reached nearly VND6,000 billion, accounting for nearly 4% of total customer loans and growing more than 7% compared to 2022.

CUSTOMER DEPOSITS

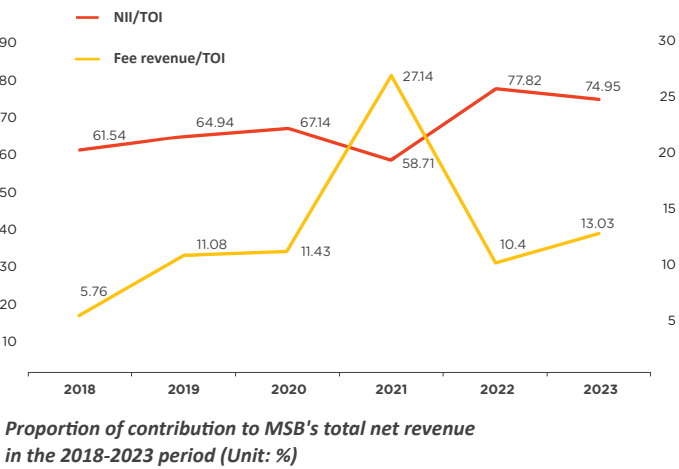
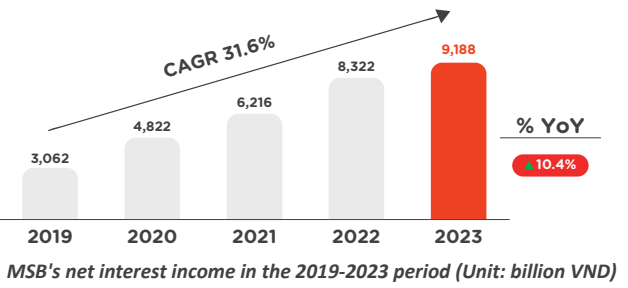
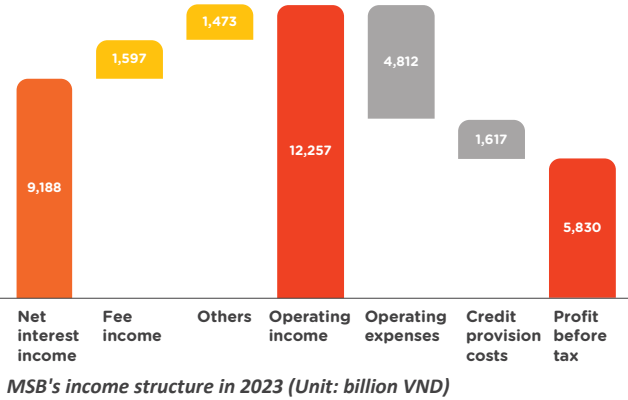
To ensure business operations, liquidity and operational safety requirements, when bank credit grew by more than 22%, customer deposits increased by 13% in 2023. With interest rate fluctuations and monetary coordination policies of the Regulatory Authority, MSB had flexibility in capital management activities, combining market 1 and interbank market activities to bring best operating efficiency, ensuring business goals and moving towards plans committed to shareholders.

Considering the structure of term deposits, with fluctuations in deposit interest rates following world market trends, the proportion of term deposits increased in 2023, in there term deposits accounted for more than 73% of total customer deposits compared to 69% at the end of 2022. The ratio of CASA to total deposits decreased somewhat over the same period. However, this index of MSB still ranked 4th in the banking market when reaching 26.54%, equivalent to VND35,120 billion as at December 31st, 2023. The allocation of CASA between individual customers, large businesses and small and medium enterprises (SMEs) changed positively in accordance with MSB's strategic orientation. The proportion of CASA coming from individual customers and SMEs achieved a growth of 27.7% and 29.2% compared to 2022. These positive changes were from digitalization projects and boosted sales capacity that MSB has invested in in recent years.



TOTAL NET OPERATING REVENUE

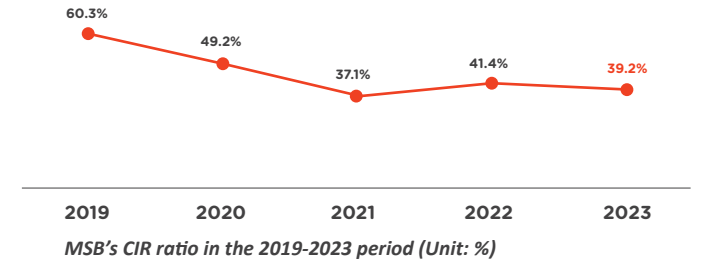
With a compound growth rate in the 2019-2023 period of about 27%/year, MSB's total net operating income (TOI) ended the 5-year strategic period at VND12,259 billion, an increase of 14.5% compared to 2022. This growth demonstrated MSB's efforts and flexible business methods in a market context with many obstacles and difficulties.



Accounting for 75% of TOI, the bank's net interest income (NII) had an annual growth rate of 10.4%. Net profit from service activities reached nearly VND1,600 billion, accounting for 13% of TOI. In particular, MSB's net profit from foreign exchange trading activities reached over VND1,072 billion, giving MSB a high position in the market in this activity. MSB was also one of the leading creators in the interbank market. Revenues from Government Bond trading activities or derivative products on market 2 were also good sources of income and support MSB's liquidity. MSB has a strategic orientation for a business model with non-interest income reaching 30% TOI. On that basis, the bank focused on developing banking services, new products, cross-selling methods and product packages to increase fee revenue.

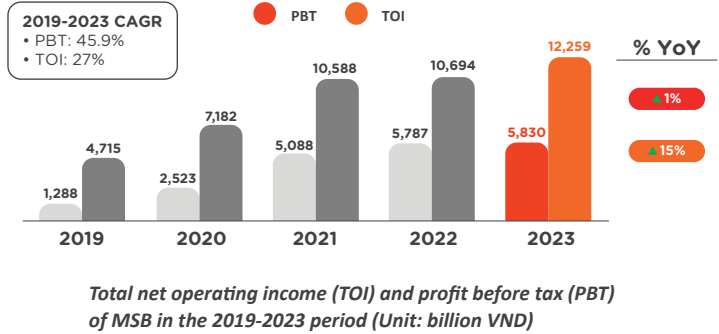
OPERATING EXPENSES

Operating costs in 2023 increased by 8.7% in comparison with 2022, of which nearly 60% were employee costs (more than VND2,838 billion), an annual growth of 7.2%. With TOI growth at 15% and operating costs increasing less, MSB's cost-to-income ratio (CIR) index decreased from 41.4% in 2022 to 39.2% in 2023. When MSB's digitalization, sales capacity boosting, strategic projects, etc.. are completed and implemented synchronously, MSB estimated that CIR would be downed to 30% and stable.

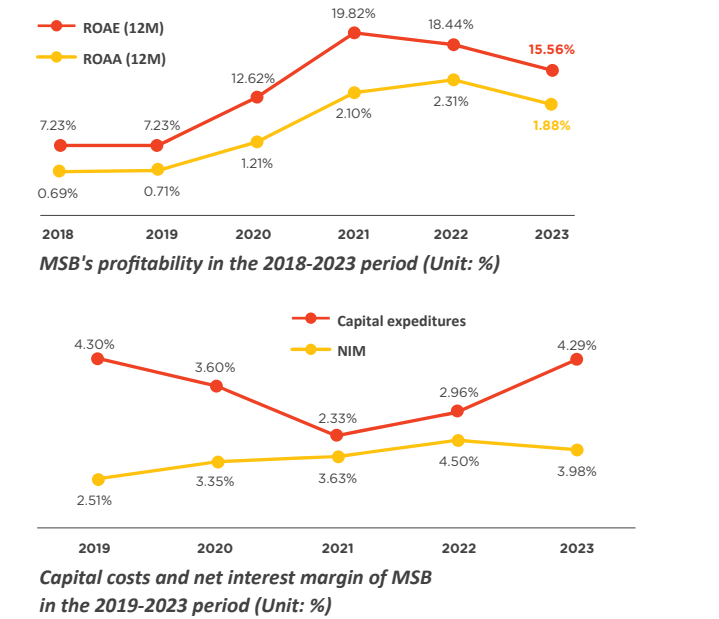


PROFIT

By the end of 2023, MSB recorded a profit of VND5,830 billion, a slight increase of 1% compared to the end of 2022. After fulfilling tax obligations to the State, MSB achieved a profit after tax of VND4,644 billion and MSB's basic earning per share reached VND2,322/share. MSB's ROAA and ROAE also were affected by market trends, only reached 1.88% and 15.56%, respectively also influenced by market trends at the end of 2023.



Since the fourth quarter of 2022, world and domestic interest rates have been both in an increasing trend, the amount of term deposits increases due to the influence of this trend. MSB's capital costs were also adversely affected and increasd from 2.96% in 2022 to 4.29% in 2023. Since the third quarter of 2023, with the Government's requirements and drastic measures to support customers, lending interest rates decreased while the capital mobilization portfolio still bears high interest rates. Therefore, the net interest margin (NIM) of the banking industry in general and MSB in particular decreased significantly in comparison with 2022, reaching only nearly 4% at the end of 2023 in comparison with the peak of 4.5% in 2022.



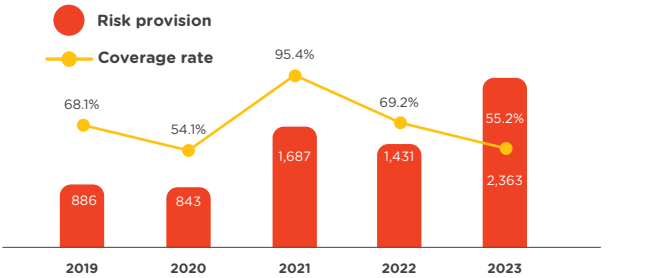
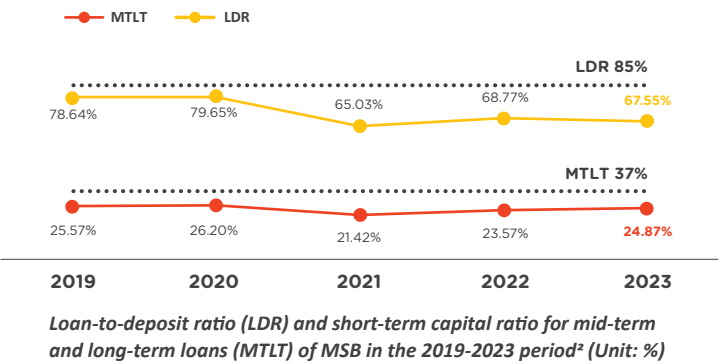
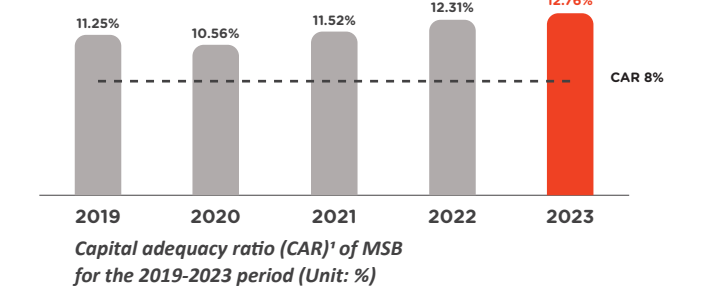
In addition, the risk of non-performing loans (NPL) increased sharply as businesses are still facing many difficulties and lingering consequences from the pandemic years combined with economic fluctuations, international politics, the business capacity and financial health of many businesses and individuals were strongly affected. To ensure risk management, like many other banks, MSB increased the provisioning item at the end of 2023 and therefore, had a significant impact on MSB's pre-tax profit.

CAPITAL ADEQUACY AND LIQUIDITY INDICATORS

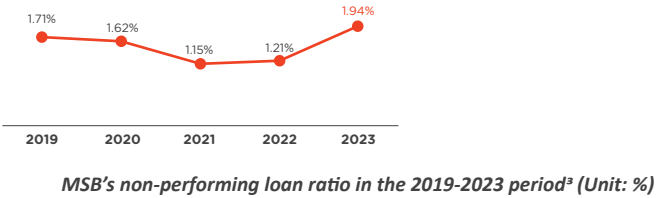
International and domestic market fluctuations in 2023 posed an urgent need for credit institutions to improve operational safety standards. MSB was one of 10 banks selected by the State Bank to implement Basel II according to Circular No. 41 and by 2020, the bank completed all 3 pillars of Basel II 1 year ahead of the required deadline. Continuing this journey, in May 2021, MSB completed the application of the method based on Basel II's internal ratings in credit risk management; deployed the Basel III Tool Framework in operational risk, market and liquidity management. In 2023, MSB continued to develop high-end standards of Basel III and research the application of Basel IV. Risk management tools

combined with digital products were continuously deployed and perfected, capital adequacy and liquidity indicators were strengthened. By the end of 2023, MSB had a consolidated capital adequacy ratio (CAR) calculated according to Circular 41/2016/TT-NHNN reaching 12.76%, higher than the required ratio at 8%. Liquidity indicators such as Total Debt/Total Mobilization index (LDR) and short-term capital ratio for mid-term and long-term loans (MTLT) reached 67.55% and 24.87%, respectively, ensuring the good compared to the requirements of the Regulatory Authority.

According to Circular No. 11/2021/TT-NHNN, as at December 31st, 2023, the non-performing loan (NPL) ratio of the banking segment was calculated at 1.94%, an increase in comparison with the end of 2022; this rate according to consolidated data was 2%. The NPL ratio has influenced from the debt classification and customer classification from Vietnam's national Credit Information Center (CIC). Restructured loans according to State Bank's Circulars No. 01/2020/TT-NHNN and 02/2023/TT-NHNN at MSB were VND0 and VND605 billion respectively as at December 31st, 2023. MSB always increased investment in debt collection and post-disbursement early warning tools, automated and digital risk management to ensure non-performing loan (NPL) management goals. To ensure risk management, MSB as well as other banks had to increase credit provisions. Loan provisions at the end of 2023 recorded VND2,363 billion, an increase of 65% compared to 2022.



MSB's loan loss provision for the 2019-2023 period (Unit: billion VND)



Moody's credit rating agency also released a rating report and press releases evaluating MSB's business activities and especially risk management in 2023. According to the report updated on October 27th, 2023, MSB was considered by Moody's to have a stable outlook. Deposit and issuer ratings were rated B1, specifically as shown in the table below:

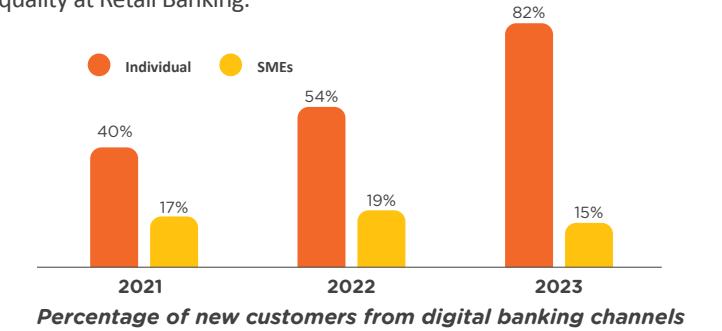
RATING UPDATED ON OCTOBER 27 TH , 2023	
Outlook	Stable
Counterparty Risk Rating	Ba3
Bank Deposits	B1
Baseline Credit Assessment	b2
Adjusted Baseline Credit Assessment	b2
Counterparty Risk Assessment	Ba3(cr)
Issuer Rating	B1

¹In 2017-2018, it was applied according to Circular 36/2014/TT-NHNN. Since 2019, it has been applied according to Circular 41/2016/TT-NHNN (CAR index in 2019 was applied according to Circular 36 at 10.25%)
²Individual LDR and MTLT ratio, applied according to Circular No. 02/2012/TT-NHNN
³Non performing loans of the bank caculated according to Circular 02/2013/TT-NHNN for the 2017 - 2020 period and Circular 11/2021/TT-NHNN for 2021

CORE BUSINESS PERFORMANCE
BUSINESS ACTIVITIES FOR INDIVIDUAL CUSTOMERS

In 2023, in the context of general market difficulties, MSB's retail revenue still grew by over 20% compared to 2022. Total new customers increased by over 1.3 million, total deposits grew by more than 25%, of which the proportion of demand deposits accounted for approximately 20% of total deposits in the retail segment.

Also in 2023, digital transformation activities at Retail Banking recorded many positive results when more than 72% of new customers started using services on digital channels, 92% of credit cards and 84% of mortgages were opened on digital channels.



Outstanding products and services of Retail Banking

Digital sales channel solutions were continuously being launched:

- **M-Biz online:** Solution for granting online unsecured credit combos (unsecured loans, overdrafts, credit cards) for customers in the business segment (business owners, business household owners, micro-enterprises) up to VND1.5 billion and fast approval within 3 working days.
- **Online business mortgage loan:** The solution helps business owners and business household owners to register for loans and provide documents 100% online.
- **M-Careyou:** is the first digital insurance product between Bao Viet Insurance and MSB, marking the increasingly strong strategic cooperation relationship and commitment of the two parties in the field of insurance product digitalization.

technology platform developed by MSB, helping customers find information and complete registration quickly without wasting time completing complicated paperwork. In case the customer submits a claim online, the approval procedure for insurance benefit settlement will be committed by MSB and Bao Viet Insurance within a maximum of 15 days.

- **M-Merchant:** helps customers conveniently manage revenue and control payments of each store/business they manage, saving time and human resources in cash management. Store/business owners can also create user accounts for employees to control customer payment information without having to take a screenshot of the payment or confirm payment from the store/business owner.

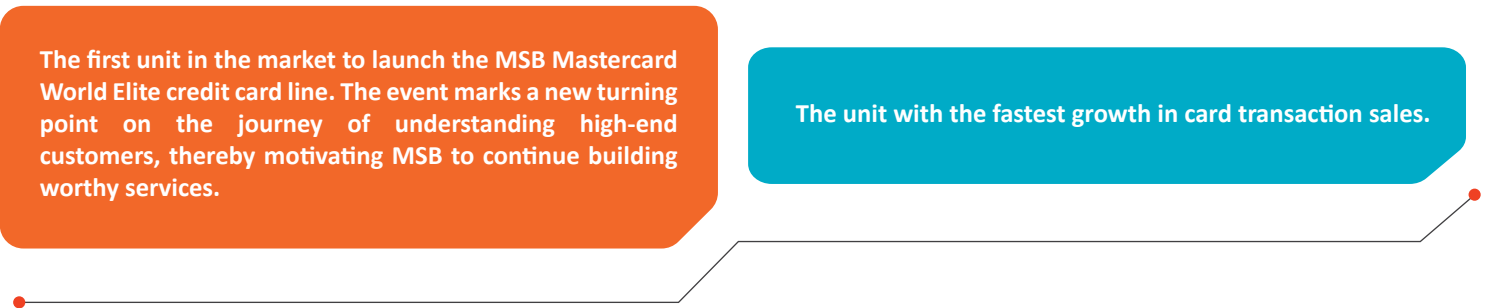
Belonging to M-Merchant, one-touch QR is a payment solution combined with revenue management for business household owners and business owners. With this solution, bank staff can create QR codes in advance when meeting customers. The store/business owner who is given a QR code will proactively attach the QR code to the payment account opened at MSB through 100% online operations from registering to open an account (if you don't have an MSB account) to creating a transaction management account at https://msbpay.msb.com.vn.

- **M.Digi Bank automatic transaction counter:** In addition to functioning as a regular ATM, customers at M.Digi Bank can deposit cash directly into their bank account at the smart teller machine (STM - Smart Teller Machine), and at the same time interact with the device like you are actually transacting with a bank employee, withdrawing cash without a physical card.

New solutions are designed according to customer segments:

- **MSB Mastercard World Elite:** The black card for the elite brings a luxurious and exclusive experience to high-end customers such as 100% exemption of foreign currency transaction fees, free access to more than 1,200 classy, comfortable airport lounges worldwide throughout the card's lifetime, along with 10 lounge visits/year for accompanying people. Customers also receive 10% cashback benefits, up to VND36 million/year for high-class travel, service, and culinary experiences at 5* hotels, and high-end gift shopping globally. MSB also offers the privilege of a premium personal assistant as a priority customer relationship manager, supporting all customer needs 24/7.
- **Features on the new mobile app:**
 - + Registering for an M-Nick account with a beautiful, feng shui account number: Helps customers own accounts with personal nicknames, four-of-a-kind accounts, and three-of-a-kind accounts.
 - + Balance fluctuation sharing feature: The feature of sharing balance fluctuations and transaction history is exclusively for customers who are business owners, supporting remote revenue management while still keeping account balance secure. Through these features, employees or managers can conveniently compare and control transaction status, avoid fake transactions, and save on monthly SMS balance notification costs.
 - + Automatically splitting transaction limits 24/7: Helps customers transfer large amounts in just one operation in stead of transferring multiple times.

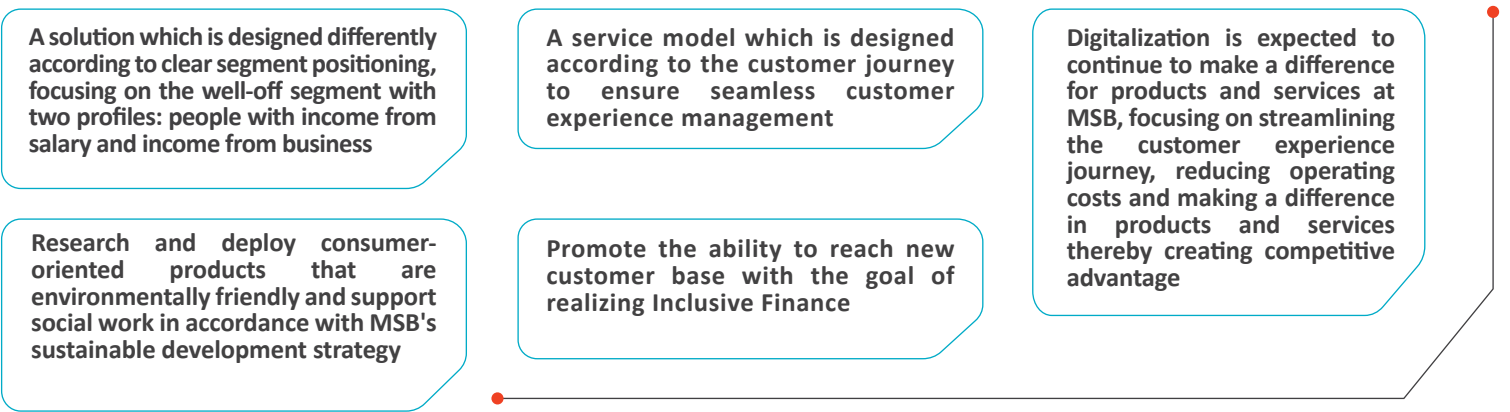
Regarding the awards, Mastercard honored MSB as:



It is forecasted that the first quarters of 2024 will still have many challenges. However, based on the results achieved in 2023, the individual customer service is aiming at more challenging goals such as deposit growth of 30%, growth loans over 25% and pre-provisioning profits increase by 32% compared to 2023. Also in the new year, MSB's retail banking segment expects to grow by 715,000 customers, while focusing on quality development. Revenue in 2024 is expected to increase by 15% compared to 2023.

To achieve the above goals, individual customer service activities will be implemented on the following pillars:

- Regarding designing solutions for customers, we aim to:



- Regarding the sales activity organization, we aim to:

- + Expand business activities on digital channels to rapidly grow the contribution to business activities.
- + Optimize sales channel performance by providing digital tools, thereby reducing operating time, increasing sales opportunities and the ability to optimize the category existing customers.
- + Invest in digital marketing, develop and apply advanced analytics, help improve sales opportunities and conversion performance of the sales channel.

- Regarding organization and people

In 2024, the retail banking will aim to build a happy workforce by promoting the role of middle managers in the sales channel; promote training activities to improve capacity. The units will also actively implement the spirit of service leadership: The leadership sets an example and listens to the frontline; builds training programs based on a new format for the next generation of branch directors. From a happy team, MSB is committed to bringing a convenient, simple and optimal experience to customers with every transaction, to increase lifelong connection with MSB products and services.



BUSINESS ACTIVITIES FOR CORPORATE CUSTOMERS

The world economy in general and Vietnam in particular in 2023 was deeply affected by war, energy crisis, monetary tightening mechanism... The Corporate Customer Group faced a year full of difficulties and challenges with declining aggregate demand and unpredictable financial market developments. The banking industry was also greatly affected and required flexible strategies to adapt this condition.

The corporate customer service segment, as a pillar of MSB's business operations, recorded relatively stable growth, specifically:

- Loans to corporate customers increased nearly 30% compared to 2022
- CASA deposits from corporate customers had a good growth from the SME segment, in accordance with MSB's strategy, growing 29.2% compared to 2022

- Green credit accounted for about 4% of the bank's total loan portfolio, growing 7% compared to 2022

In addition, to better meet the needs of large-scale businesses, MSB established the Strategic Corporate Division with the task of developing a group of state-owned corporations, corporations and large strategic customers according to the bank's direction in all credit and non-credit segments. This Division was also the focal point for deploying customer chains to Retail Banking and Corporate Banking. As at December 31st, 2023, MSB's strategic customer portfolio was nearly 300 customers, revenue and profit increased by 32% and 45% respectively over the same period in 2022. The proportion of revenue from fees accounted for nearly 30% of total revenue; of which foreign currency trading activities alone brought profit growth of 28% compared to 2022.

Outstanding products and services for corporate customers:

With the general orientation of making digital transformation the driving force for transforming operations and business, the business serving corporate customers has continued to focus on researching, upgrading and developing digital products, in order to bring customers a new experience, contributing to remove bottlenecks in costs and collateral in borrowing capital. Typical products and services can include:

- **M-Smart account solution:** Account solution with diverse payment features and many transaction fee exemption/refund incentives, helping businesses optimize costs, save time and resources. M-Smart has been deployed by MSB for 2 years and has proven positive effects for customers, helping to increase connection with the bank through practical benefits.
- **M-Power unsecured credit solution package:** Solution for granting online credit limit up to VND15 billion and super-fast approval within 3 working days. M-Power brings outstanding convenience when the process is 100% online from building a business plan, submitting documents, monitoring processing status, and approval.
- **M-Supreme comprehensive credit solution package:** Comprehensive online credit solution with a value of up to VND200 billion and 280% of collateral value, diverse loan forms to meet business needs.
- **Specialized digital solutions for corporate customers from the ecosystem & supply chain** through expanding technology cooperation with Fintech companies and B2B platforms. In 2023, MSB has implemented comprehensive cooperation with major partners such as: MISA Joint Stock Company, Solv Vietnam Company Limited.
- **Digitized credit journey:**
 - + Online disbursement: Converting 80% of customers and 81% of disbursement transactions in VND to electronic banking channels, using digital signatures, allowing customers not to go to the counter or return paper documents. In 2023, the Corporate Bank added and successfully piloted the implementation of 5 combined streams: disbursement, foreign currency trading, domestic/foreign payment, LC/NT payment.
 - + LC/Online Guarantee: Allows customers to make issuance requests on e-Banking simply and conveniently.
 - + Digitizing the flow of re-issued documents: Apply minimalist flow with corporate customers who only use cards and overdrafts.
- **Credit program for corporate customers, small and medium enterprises** (revenue scale from VND20 billion to VND1,000 billion) with flexible financing structure, allowing short-term financing without collateral, maximum value up to VND200 billion; including a maximum loan of VND100 billion and/or short-term financing of up to 280% of the value of the secured assets.

The corporate customer service business also developed and implemented many separate policies being suitable to the characteristics of many customer groups in many fields with outstanding features to effectively accompany customers to overcome difficulties and develop sustainably:

- **Export Financing Solutions:** MSB finances businesses to carry out export orders, disbursement right from the moment of signing the contract/order or receiving the export L/C (Letter of Credit). Maximum financing rate is up to 90% of the remaining payment value of the L/C.
- **Solutions for corporate customers in supporting industries - M•360:** Flexible financial solutions for businesses in supporting industries (such as textile and garment, leather footwear, wood and forest products industries, structures, components, spare parts, engines, tools, packaging, printing), meeting 100% of credit needs according to production and business plans. MSB finances without collateral based on signed or expected signed contracts/orders, flexible disbursement and debt collection according to each plan or according to overall cash flow from business activities.
- **FMCG solution package (fast-moving consumer goods industry):** granting unsecured credit limit for peak season up to VND10 billion.
- **Specialized solutions for commercial businesses in the durable consumer goods industry (electronics - refrigeration equipments, household appliances, stationery):** Diverse forms of funding, responding to business seasons.
- **Solution package for pharmaceutical and medical industry:** Funding capital on the output business plan, even when there is no notification of winning bid or an output contract has not been signed.

In addition, the business serving corporate customers also developed solutions to bring maximum convenience based on understanding business realities, supporting customers in optimizing cash flow, minimizing operations like:

- **Cash flow collection and payment services for corporate customers:** Associated with the trend of connecting technology systems - digitizing the journey. MSB cooperates, connects, and becomes the main partner of many businesses operating in many fields of commodity trading, finance, pharmaceuticals...
- **Overdraft in Current Account:** A convenient solution that helps businesses proactively withdraw capital from payment accounts and be flexible in production and business activities. MSB grants a maximum unsecured overdraft limit of up to VND5 billion, in addition to giving an additional credit card limit and overdraft limit of up to VND700 million for established businesses with a reputable transaction history.

In 2024, MSB in general and the Corporate customer service business segment in particular aim to continue promoting the role of digitalization in the overall business strategy, specifically:

- **Digitizing the product journey to provide products and customer services**
 - + Becoming the first bank to provide completely digital credit solutions (end to end) for customers (applicable to all steps from loan registration, contract signing, disbursement), bringing a different and outstanding digitalization experience.
 - + Launching an outstanding quickloan unsecured product package, providing approval results to customers within 4 hours based on the application of a 100% automatic scoring and decision-making model (decision engine).
 - + Deploying integrated digital credit solutions with Fintech partners such as: Bizzi, Fast, Fis, thereby creating a proactive and quality source of corporate customers.
 - + Developing digital solutions on a specialized supply chain financing platform: Distributor financing, factoring, pre-delivery financing...
 - + Completing deployment of products on digital channels: credit commitment, amendment, release of guarantee; draft L/C flow completion, L/C amendment.
 - + Digitizing overdraft limit issuance, online credit card issuance on electronic banking digital channels (internet banking, mobile banking).
 - + Deploying digitization of debt collection on electronic banking (internet banking).
 - + Completing implementation of virtual account solution: Online registration, managing partners (merchant) on electronic banking (internet banking).
 - + Continuing to promote digital cash flow management solutions and apply technology in non-cash collection and payment for corporate customers at MSB
- **Continuing business strategies by industry and focus areas; developing specialized solutions based on customer understanding, focusing on:**
 - + Improving credit programs for small and medium enterprises, developing separate policies for medium and large customers with appropriate structures according to business methods and customer needs in a changing business context and increasing competitive pressure.
 - + Continuing to deploy and improve specialized solutions for industries/fields: supporting production, trade in fast-moving consumer goods, durable consumer goods, construction, medical pharmaceuticals...; developing and packaging specialized solutions for businesses operating in the following industries/fields: service; manufacturing and trading electrical equipment, telecommunications, software; agricultural, forestry, aquatic products, chemicals, industrial construction, building materials; transportation business.
 - + Building medium and long-term financial solutions to better meet capital needs for investment activities to serve customers' production and business.
 - + Continuing the goal of growing the number of non-credit customers, packaging solutions, increasing incentives and value

in Multi-Utility Account Packages through strategic cooperation, building an ecosystem to provide service packages for customers.

+ Continuing to develop financing solutions based on cash flow and flexible contracts, meeting maximum capital needs and ensuring cash flow optimization for businesses.

- **Continuing to develop according to the Bank's sustainable development orientation, deploy green credit solution packages, promote the expansion of SME customer base in accordance with MSB's business strategy** while prioritizing sustainable development criteria in the cooperation process, building credit products associated with sustainable development criteria with preferential interest rates to accompany customers in the country's green transformation process.
- As for the strategic customer segment, in 2024, **the Strategic Customer Division will continue to closely follow and expand the customer file as directed, while promoting the customer chain** with potential to bring good profits to MSB; at the same time, increase revenue from fees to reach the goal of non-interest net revenue accounting for 35% of total net revenue by 2028.



INTERBANK ACTIVITIES - FINANCIAL INSTITUTION BANKING

Among Vietnamese credit institutions, MSB is known as a bank with a special structure "bank-in-bank" with 4 subsidiary banks, operating independently as a bank and jointly optimize revenue and profits in the system, including: Corporate Banking, Retail Banking, Credit Management Banking and Financial Institution (FI) Banking.

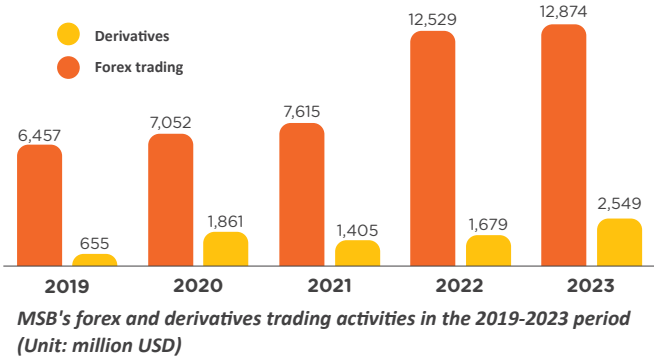
MSB's Financial Institution (FI) Banking is responsible for managing and developing specialized banking products and services with financial institutions, public financial institutions, fund management companies, insurance companies, securities companies; developing and implementing business plans for foreign currencies, capital sources, securities and derivative financial instruments; transactions on the interbank market, Government bonds... Financial Institution Banking is the unit representing MSB to establish, maintain and strengthen relationships with domestic and foreign financial institutions to support the business activities of Retail Banking and Corporate Banking as well as playing a pioneering role, leading the way for MSB to access capital and technical support sources according to the sustainable development strategy on environment - society - corporate governance (ESG).

2023 was considered a successful year for FI when the revenue of this activity contributed a large proportion to the total operating income of the Bank. At the same time, recognition from domestic and international organizations through a series of prestigious awards once again affirmed the position of FI in particular and MSB in general in the market. Considering each operational segment, FI also recorded many outstanding achievements:

Foreign currency trading activities

In the field of interbank foreign currency trading, MSB always maintained its position as a market maker with outstanding growth rates in both profits and sales compared to 2022, continuing to maintain its position in the top 3 banks with the largest trading volume on the electronic trading platform provided by the London Stock Exchange (LSEG). Following the bank's general digitalization strategy, foreign currency business also set the goal of modernizing its transactions. Therefore, in 2024, MSB will continue to upgrade and perfect the automatic trading platforms built by MSB to provide for the interbank market, while applying modern transaction methods in operational activities to improve efficiency and minimize risks for MSB.

Besides foreign currency trading, the trend of electronicization was also clearly recognized in cash market activities (banknote). The construction of additional reporting tools, online management, and cash management activities has clearly optimized the effectiveness of treasury costs and cash supply for the entire system as well as for the interbank market. It was considered that the market tends to decline in scale compared to 2022, however, in 2023, MSB still created a highlight when providing treasury services to the banks that did not use treasury. This recognized MSB's efforts in affirming its role as a bank providing dynamic foreign currency cash services in the Vietnamese market.



Regarding derivatives business activities, MSB was one of the active members in the currency swap product (swap) bidding room, reaching the top 3 best bidders in the swap market in 2023 recorded by the Vietnam Bond Market Association (VBMA). With the orientation of building and developing a new derivatives market scale in Vietnam, in 2023, MSB completed the implementation of signing derivatives framework contracts (ISDA) with most domestic and international financial institutions; promoted the transaction scale of IRS products (one-currency interest rate swap) and CCS (two-currency interest rate swap) with the interbank market growing one and a half times compared to 2022. In 2024, in addition to the goal of expanding other derivative products in the interbank market in line with the development of the international derivatives market, MSB will aim to promote green derivatives associated with green credit products provided to corporate customers to achieve a sustainable ecosystem, promoting the trend of greening banking activities, which is not only considered a general strategy of the industry but also a target strategy of the entire economy.

Foreign currency trading activities on the market 1

In 2023, foreign currency trading activities were under sudden increased competitive pressure. In that context, MSB always made concentrated efforts to provide quality products and services that best meet the needs of existing customers. Aiming for maximum convenience and savings for customers, MSB continues to improve foreign currency transaction features on electronic transaction channels such as internet banking, mobile banking... This service allows convenient and fast transactions. In particular, customers can check exactly when partners and customers receive foreign currency after making a money transfer order.

Continuously following market developments to update customers with the latest information along with exchange rate risk prevention products, MSB accompanies customers in choosing appropriate products and trading times to stabilize business activities, minimizing disadvantages from exchange rate fluctuations. By continuously improving processes, systems, methods as well as focusing on improving the consulting capacity of a team of enthusiastic sales staff who understand the market, MSB confidently provides optimal solutions, creating a basis to continue to maintain and maintain market share as well as attract new customers to join in the bank's efforts to expand its reach.

The advantages of a team of experienced and dedicated staff, a wide payment network, diverse products, quick transaction times, optimal transaction methods and attractive incentive programs of

MSB promises to help corporate and individual customers transact safely and conveniently, saving time and costs in foreign currency trading and international payments.

Liquidity management and foreign currency trading activities

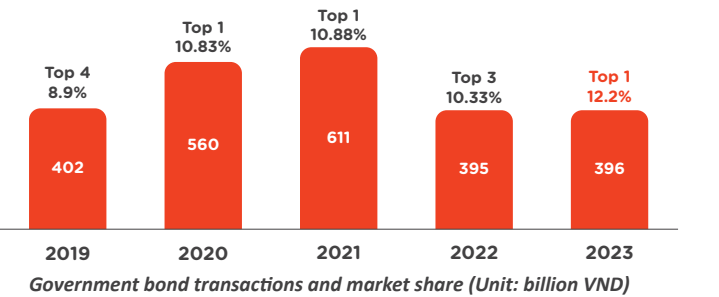
MSB's liquidity indicators are always guaranteed to be within the safety threshold according to regulations of the State Bank. In addition, MSB also issues its own set of internal liquidity indexes that are built and reviewed periodically with strict standards. MSB is flexible in maintaining high liquid assets to meet capital needs in different periods and for different purposes, thereby optimizing costs while always being ready to meet liquidity needs. MSB is steadfast in implementing the goal of diversifying capital sources, focusing on accessing "green" capital sources. MSB also regularly conducts liquidity tests with diverse situations to be ready to activate the response mechanism to difficult liquidity situations.

In 2023, the world's financial and economic markets faced to complicated developments, domestic monetary policy began to loosen from the beginning of the year, but to comply with the goal of stabilizing interest rates and exchange rates, the State Bank had made flexible adjustments from time to time. These changes have created a volatile effect on currency markets. In that context, MSB's currency business promptly responded and came up with an appropriate action plan. MSB promoted interbank currency transactions, expanding relationships with many partners in the market, typically foreign bank branches operating in Vietnamese territory. Thanks to that, MSB achieved impressive numbers. The scale and revenue of MSB's interbank currency transactions both exceeded the set goals, reaching 200% and 177% of the plan, respectively. MSB continued to be one of the largest, reliable and active partners in the interbank currency market.

Regarding Government Bond business activities

In 2023, when the State Bank of Vietnam continuously reduced operating interest rates to support the economy, causing interbank market interest rates to also decrease, MSB promptly grasped market trends to catch the investment/trading wave in the Government bond market, contributing significantly to profits in the bank's business activities.

MSB continued to promote its position as the most dynamic and active bank in the Government bond market with total transaction turnover in 2023 reaching about VND390,000 billion, accounting for a market share of 12.2%, being the bank with the largest transaction turnover in the market. This achievement of MSB demonstrates its outstanding strength in the valuable paper business segment.



Continuing the awards achieved over the past many years, in 2023, MSB's Government bond business activities continued to be recognized by regulatory agencies for the following outstanding achievements:

- **Ranking given by the Ministry of Finance**
 - + Top 2 debt instrument market creators in the banking sector in 2023
- **Ranking given by Hanoi Stock Exchange**
 - + Top 1 member with government bond trading in 2023
 - + Top 1 member with proprietary government bond trading in 2023
 - + Top 2 members with government bond outright trading in 2023
 - + Top 1 member with government bond repo transactions in 2023
- **Award from the Vietnam Bond Market Association**
 - + Market creator offering best repo rate in 2023
 - + Market creator with second highest repo trading volume in 2023
 - + Market creator offering the most futures for outright trading in 2023

Issuing and investing in valuable papers issued by credit institutions

Valuable paper business activities issued by credit institutions continued to be promoted in 2023 and contribute significantly to the bank's profits. In addition to investment activities, MSB successfully deployed issuances of certificates of deposit and bonds with diverse terms from 1 year to 3 years, helping the bank improve its operational safety ratio as well as mobilizing medium and long-term capital at optimal costs.

In 2023, MSB actively participated in perfecting the market's legal framework towards more transparency and efficiency. At the same time, MSB became a special trading member of individual corporate bonds of HNX, contributing to the development of the bond market in general.

With a strategy of continuous improvement and innovation to provide customers with superior paper products and services, MSB has been a pioneer in developing new bond-related products, providing customers with a diverse product ecosystem such as bond yield-linked savings deposits, custodian banking services, custodian banking, fund management...

The above deployed products and services have been operating stably in 2023, not only bringing stable fee revenue and expected to grow well each year, but also increasing opportunities to reach new customers and cross-sell MSB's existing products.

Activities to consolidate and expand financial institution customer base

Ensuring compliance with safety standards and ratios is MSB's top goal during business operations. Therefore, MSB always receives high ratings for its reputation and effectiveness from domestic and foreign organizations. As of December 31st, 2023, the number of MSB's correspondent banks exceeded more than 400 banks in 54 countries around the world and the total trade finance limit granted is more than US\$1 billion (converted).

With a large agent banking network and abundant limit resources, MSB always responds quickly and effectively to customers' diverse needs in

international payment activities, trade finance, foreign currency trading and derivative products...

Based on its increasingly enhanced reputation in the domestic and foreign markets, in 2023, MSB successfully mobilized medium and long-term capital from major organizations around the world in the form of co-financing or bilaterally to supplement capital for the bank's general business activities as well as promote credit programs for small and medium enterprise (SME) customer groups or green credit from Propaco and OPEC Fund to finance SMEs. On November 2nd, 2023, in the presence of the Prime Ministers of Vietnam and the Netherlands, representatives of leaders of ministries and branches of the two countries and about 300 businesses from both sides, MSB and the Dutch Entrepreneurial Development Bank (FMO) has signed a Letter of Interest on medium and long-term lending cooperation. Accordingly, FMO and the Dutch Fund for Climate and Development (DFCD) have planned to finance up to US\$100 million with a term of up to 9 years, aiming to finance SMEs and green projects. In addition, FMO also considers supporting MSB to complete and upgrade its environmental and social risk management system to achieve higher international standards.

In December 2023, MSB representatives and accompanying the Vietnamese delegation led by the Prime Minister to attend the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP) 28 in Dubai - United Arab Emirates (UAE). Participating in COP 28 was an opportunity for MSB to meet, exchange information, share knowledge and experience with leading experts in the field of climate change in the country and the world, and increase access to international trends as well as domestic policies related to climate change. This was also a favorable premise for MSB to introduce ESG development strategies and policies that the Sustainable Development Committee has built, creating a foundation for the bank to move closer to international standards on green credit, and at the same time join hands to promote the National Strategy on Green Growth for the period 2021-2030, aiming to achieve “zero” net emissions (Net zero) by 2050.

For the customer segment of insurance companies and securities companies, MSB focuses on improving service quality, increasing the level of digitalization, upgrading and adding features to the full suite of service products including centralized account and cash flow management services, domestic and international payment services, collection and payment services, and identification account solutions. Deposit products, foreign exchange transactions, interest rate derivatives (IRS, AIRS) and exchange rate derivatives (CCS), loans, overdrafts, guarantees, credit commitments... are implemented with simple and convenient procedures, promptly meeting customer needs. Some traditional products have been supplemented with online transaction features to save time and costs for customers: International money transfer, domestic foreign currency transfer between customer accounts, guarantee issuance, foreign currency trading... Therefore, MSB has been trusted and chosen by leading domestic insurance and securities companies as the main service bank and business promotion partner in long-term development strategies.

For the segment of public financial institutions, with the trust of the State Bank, the Ministry of Finance and other ministries and branches, MSB has participated in serving ODA projects of the Ministry of Health, Ministry of Education and Training, Ministry of Agriculture and Rural Development, Ministry of Natural Resources and Environment, Ministry of Science and Technology... Diverse projects in many fields such as transportation, health, education, agriculture , environment... on a national scale, such as the Ben Luc - Long Thanh Expressway Development Project; Human resource education and training project to serve health system reform; environmental and urban infrastructure development project to respond to climate change in the cities of Dong Hoi (Quang Binh) and Hoi An (Quang Nam); project to enhance the development and health of Vietnam's banking sector... MSB was also one of the first joint stock commercial banks to cooperate with the State Treasury to promote the application of modern information technology in the process of collecting and paying the State budget, through the implementation of State budget collection services through many channels and electronic bilateral payment services, helping organizational and individual customers pay taxes and fees quickly and accurately in just a few minutes. In addition, MSB has cooperated with many large hospitals and schools such as Viet Duc Friendship Hospital, Hanoi Medical University, Bach Mai Hospital which are the leading hospitals in Vietnam... in the process of modernizing the collection and payment of hospital and tuition fees, supporting patients, students, and pupils with many options for payment channels.

Non-life insurance product agency activities

MSB started performing Insurance Agency services from the time the State Bank approved the addition of its operating license with the activity “Insurance Agency Services (December 6th, 2010) according to Decision No. 2919/QD-NHNN dated December 6th, 2010 of the State Bank”.

In particular, non-life insurance agency activities have been focused and developed by MSB since 2017 with the main purpose of controlling risks in the Bank's credit granting activities.

At the same time, MSB promotes independent cross-selling of non-life insurance to bring diverse products and optimize customer benefits, helping customers protect themselves against financial impacts as well as risks in life.

The economic recession caused insurance premium revenue for the entire market to decrease by 8.3% compared to 2022. Non-life insurance revenue also fluctuated strongly, only growing by 2.4% compared to the same period in 2022. However, MSB continued to grow non-life insurance sales by 125% compared to 2022 and profits grow by 130%, marking a year of effective implementation and ensuring adherence to MSB's credit risk insurance policy, based on receiving customer consensus in giving top priority to protecting risks to assets and obligations when borrowing capital at MSB. Besides, this was also one of the factors that help MSB significantly improve the safety factor in credit granting activities, reduce the non-performing loan (NPL) ratio; the ability to collect debt was guaranteed thanks to the quick management and settlement of insurance claims for insurance companies.



RISK MANAGEMENT FOR SUSTAINABLE VALUE CREATION

Despite of market difficulties, MSB always has striven to improve risk management effectiveness to ensure operational safety, contributing to overall system stability and economic recovery.

In July 2023, MSB was honored to become the only representative of Vietnam to win the Silver Award - Southeast Asia Risk Management Award (ASEAN Risk Champion Award 2023) awarded by the Singapore Enterprise Risk Management Academy (ERMA). The award was recognition for MSB's efforts in pioneering the application of international standards in risk management, strongly transforming risk management methods on the digital journey, while promoting the model's strengths in this field, bringing a positive impact to the bank's operational and business efficiency.



Ms. Le Cam Thuy, Chief Risk Officer, received the award in Singapore

CONTINUOUSLY IMPROVING AND PROMOTING THE EFFECTIVENESS OF THE ADVANCED MANAGEMENT FRAMEWORK AND COMPREHENSIVE RISK MANAGEMENT MODEL

Risk appetite and risk management strategy are periodically updated to ensure compliance with the market and MSB's 2023-2027 business orientation.

In the first quarter of 2023, the Board of Directors issued the Risk Appetite (RA) Statement for the 2023-2025 period. In the first quarter of 2024, risk management indicators have been reviewed and management thresholds for the 2024-2026 period have been updated. Results of implementing some targets in 2023 and goals for 2024 are as follows:

Target		Unit	2023		2024
			Limit	Actual	Goal
Capital	CARicaap	Minimum/%	8.0%	16.3%	8.5%
	CAR41	Minimum/%	9.5%	12.6%	10.5%
Finance	ROE	Minimum/%	15.0%	15.6%	16.0%
	RAROC	Minimum/%	16.0%	25.5%	28.0%

Also in the first quarter of 2023, the MSB Board of Directors also issued a Risk Management Strategy Statement for 2023-2025 including a list of material risks. In particular, the bank has adjusted a number of strategic objectives to manage market risks, bank book interest rates; supplementing the principles of digital channel risk management, socio-environmental risk management in credit risk management strategies.

Comprehensive risk management is implemented evenly across MSB's core risk categories, including credit risk, operational risk, market risk, liquidity risk, interest rate risk on bank books and

concentration risk. In 2023, MSB implemented risk measurement and management according to the new methodologies of Basel III and Basel IV for key risks, contributing to creating a transparent and optimal risk management system.

With the strength of model building, MSB focuses on upgrading and reviewing all models PD (Probability of Default), LGD (Loss Given Default), EAD (Exposure at Default) to ensure efficiency and suitability when applying the model to business decisions. MSB's internal model verification activities have been operated, thereby ensuring the compliance and performance of the models.

Digital credit risk management capacity is continuously upgraded and rapidly improved in accordance with continuous changes in the business model.

In 2023, MSB completed and put into operation the Environmental and Social Management System (ESMS) in credit granting activities to ensure compliance with legal regulations and meet international standards, towards safe and sustainable development.

CREDIT RISK MANAGEMENT STRIVES TO OVER-COME CHALLENGES

The consequences of the Covid-19 epidemic and the decline of the economy in 2023 negatively affected the credit quality of the whole industry, the rate of customer shutdowns, cash flow decline, and difficulties in debt repayment increase. However, with the spirit of proactive risk management, complying with the credit growth orientation on the basis of effective risk management, ensuring operational safety, credit risk management at MSB has synchronously implemented many solutions: flexible policy adjustment, process improvement, especially risk control before, during and after credit grant; attach importance to debt management in order to prevent and minimize newly arising non-performing loans (NPL); deploy debt management task groups (taskforce) according to each customer segment, continuously review the existing customer portfolio to identify risk signs and distribute appropriate handling flows; actively handle and collect non-performing loans (NPL) and debts used as reserves to handle risks at all business units. With the above efforts, the credit quality at MSB was well controlled, and the individual NPL ratio will always be below 2% throughout 2023.

Risk management activities on the digital journey achieved many positive results. The project of systematizing the credit process on a single platform (BPM risk) with the mission of developing a unified lending platform serving multi-channel (online and offline), applying to the entire credit journey from end to end has effectively served the business department (frontline) and support department (backline), from credit proposal to customer disbursement, field verification, fraud prevention. In 2023, BPM Risk project has successfully deployed a digital loan platform (digi-lending) with individual customers, business owners, business households and online home loans for individual customers; developed BPM systems for corporate customers and successfully put into operation a centralized approval flow with main product packages, product chains with small and medium business customers; online quick loan operation (digi-lending quickloan) connected with the set of screening criteria and acute criteria applied to customers for super-fast approval on digital channels (DE quickloan) forms a super-fast automatic credit approval flow, expected to be the highlight of super-fast credit products in 2024.

In addition, the straight-through processing loan project STP (straight-through processing) has implemented automation steps, including: Automate calculation of creditworthiness screening indicators from CIC data source, automate third-party data connection to authenticate customer information, and automate the entire rating scoring process (from receiving scoring information, creating scoring records, automatically calculating

input criteria for the ranking model, calculating and returning scoring results), helping to shorten 80% of the scoring time to 30 seconds for individual customer STP stream, 5 to 10 minutes for corporate customer STP stream.

In 2023, MSB continuously calibrated risk measurement models from ratings to early warnings. Models using machine learning were applied and continuously monitored to support timely risk management, banks digitize the building of behavioral databases, automate rating process for several approval journeys, and implement new fraud risk prevention and debt collection support models to strengthen the risk management platform to respond to the new situation.

The results of improving the digital journey, upgrading the model to shorten approval time, reduce operational risks and increase customer experience, improve performance, and create sustainable values.

After completing the system of policy documents, processes and guiding tools on socio-environmental risk management, MSB incorporates socio-environmental risk assessment as part of its credit risk assessment. The bank aims to gradually reduce credit to high-carbon emission sectors, focusing on providing finance to green sectors and low-emission businesses; design green financial products, build frameworks and processes for evaluating, classifying, and certifying projects/customers that meet green standards...

MARKET RISK AND LIQUIDITY MANAGEMENT (MRLM)

Continuous improvement, sustainable creation on the basis of synchronous consolidation according to international standards (Basel III) for the market risk management system, liquidity risk and interest rate risk in the bank book

Based on the successful implementation of self-research and application of advanced risk management methods according to Basel III standards for market risks and liquidity risks from previous years, in 2023, MSB continued to promote self-research and development of the bank book interest rate risk management system (IRRBB) according to Basel III standards based on the application of EVE capital calculation method in monthly monitoring of bank book interest rate risk situation and conducting internal capital adequacy assessment (ICAAP) annually.

In 2024, MSB intends to continue pursuing a strategy of comprehensive compliance with advanced standards on market risk management and liquidity issued and updated by the Basel Committee, including expanded provisions in the Intraday Liquidity Risk Management Framework, a suite of liquidity monitoring tools, standards for recording and separating business and bank book portfolios, business book portfolio conservative pricing standards and disclosure standards. The Board of Directors believes that the advanced risk management platform created from this consistent direction will support and promote MSB in successfully completing business goals while creating sustainable value.

Support value creation between Line 1 (business units) and Line 2 (risk management function) in disaster risk management and accounting

With the view of supporting value creation between lines 1 and 2 in risk management in general, in 2023, liquidity risk management at MSB continued to be strengthened, thereby promoting close coordination between the two lines in early identification and proposing solutions for sources and resource use. This has been control liquidity ratios right from the time line 1 implements annual business planning and business plans are allocated monthly for the next 3 months. The value created from this coordination was clearly demonstrated through the fact that MSB always controlled well and complied with the limits prescribed by the State Bank, while achieving high rankings in the group of liquidity safety indicators according to Circular No. 52/2018/TT-NHNN while still ensuring the completion of set business goals, specifically:

Liquidity safety ratios	Limit December 31 st , 2023	Ratio December 31 st , 2023	Limit December 31 st , 2022	Ratio December 31 st , 2022
Liquidity reserve ratio	≥ 10%	22.38%	≥ 10%	17.10%
30-day solvency ratio VND	≥ 50%	78.17%	≥ 50%	83.40%
Loan-to-deposit ratio	≤ 85%	67.55%	≤ 85%	68.70%
Ratio of short-term capital for medium and long-term loans	≤ 30%	24.87%	≤ 34%	23.60%

Monitoring and controlling risks early through diverse scenario management

From MSB's experiences on domestic and international market fluctuations from the second half of 2022 and forecasts for the years 2023-2024, MSB has reviewed and standardized different sets of scenarios on market factor fluctuations (including interest rates, exchange rates and bond yields) to estimate, monitor and evaluate (on a daily basis) market risk situation according to each scenario.

At the same time, the bank also develops a variety of liquidity scenarios when performing stress tests and assessing liquidity adequacy (ILAAP) based on additional assumptions about the level of MSB deposits/mobilization that may be withdrawn and the ability to access interbank capital due to the impact by systemic and/or individual risk situations. This will help MSB identify the level of liquidity shortage and prepare liquidity contingency plans, including reserve plans for the value and structure of highly liquid assets, suitable for different risk scenarios.

OPERATIONAL RISK MANAGEMENT AND INFORMATION SECURITY

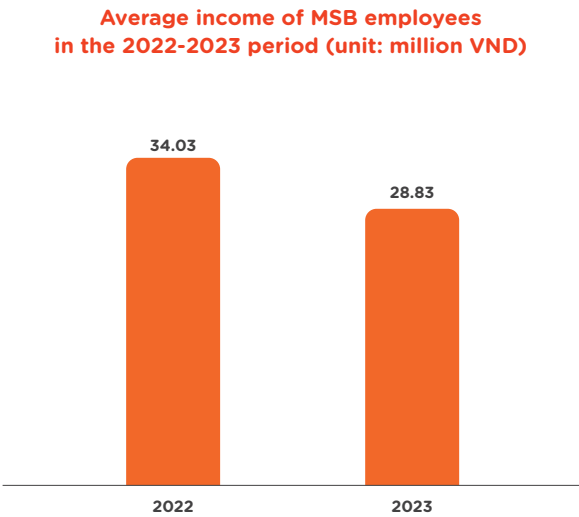
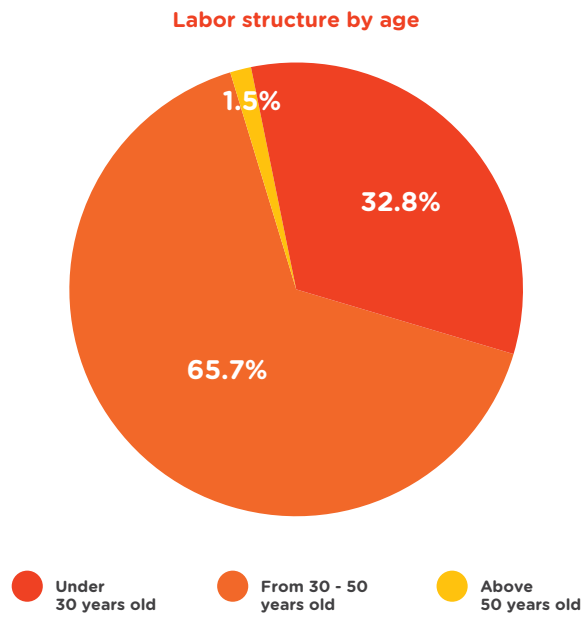
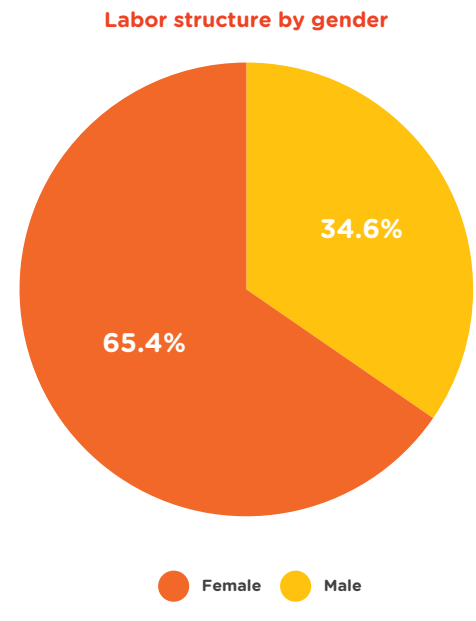
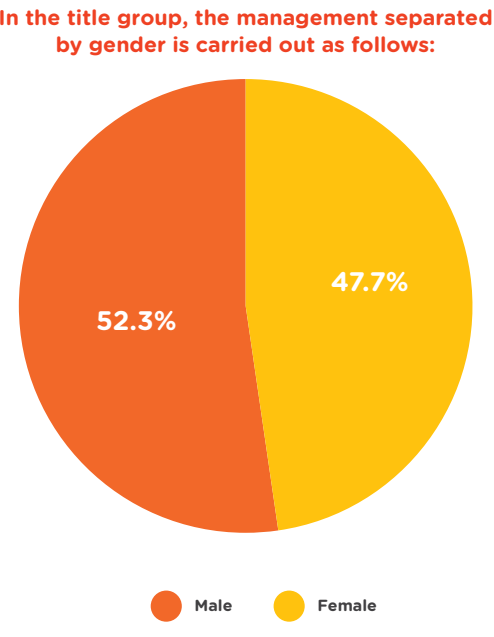
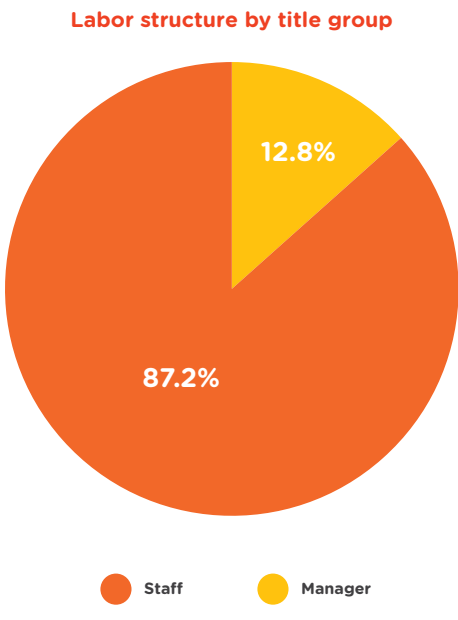
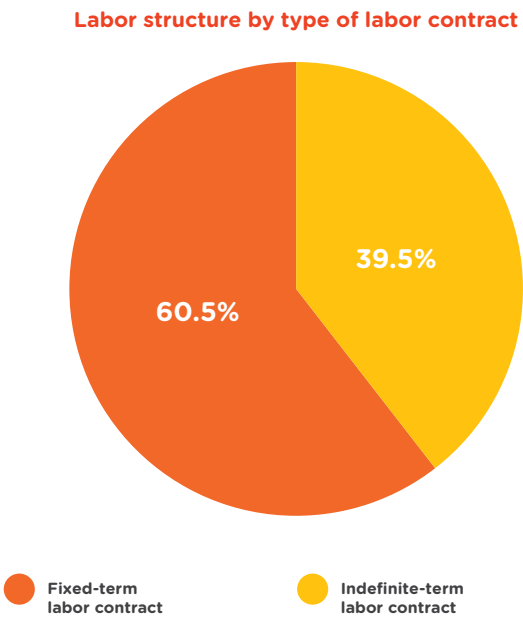
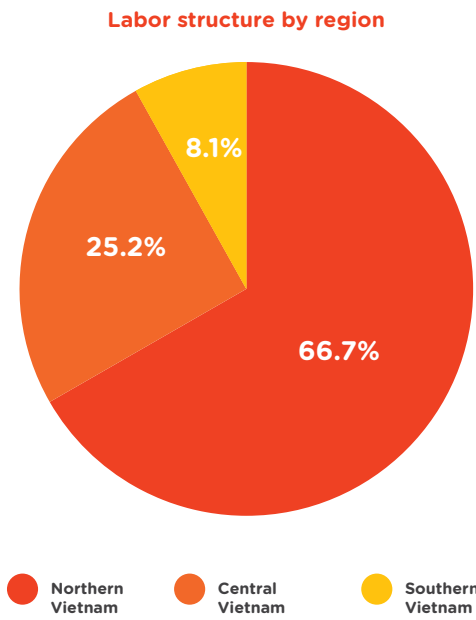
MSB continues to lead the market in meeting international standards for operational risk management according to Basel III/IV entirely with internal resources.

In 2023, MSB improved the effectiveness of digital channel risk management by promulgating policies on operational risk management and digital information security, applying the latest technologies in artificial intelligence (AI)/machine learning to combat the technique of creating fake images and sounds (deepfake) through electronic identification (e-KYC); had the latest version of 3D Secure certification to authenticate online purchase payment transactions; have used digital risk protection service (DRPS) to proactively detect and remove fake websites, detect and support customers at risk of losing digital channel information security. MSB also proactively strengthened information security measures (including information security for the use of cloud computing, big data, secure programming on electronic banking - mobile app/internet banking); successfully implemented full compliance with Decree No. 13/2023/ND-CP on personal data protection. In addition, to ensure business continuity in disaster situations (such as fire, explosion, epidemic, power outage, network outage...), MSB successfully organized working drills at replacement offices and on periodic backup systems, successfully rehearsing working on virtual computers for some specific operations for the first time.

In 2024, MSB will deploy a project to read chip-embedded citizen identification cards and authenticate with C06 - Ministry of Public Security to enhance the safety of digital and over-the-counter channel transactions, and multi-factor authentication for new core banking systems, testing backup systems and testing data recovery for systems key digital channels and new core banking.

PEOPLE AND ORGANIZATION

INFORMATION ABOUT PERSONNEL AND EMPLOYEES



Percentage of employees covered by compulsory insurance out of the total number of employees required to pay:

100%



HUMAN RESOURCE MANAGEMENT ACTIVITIES

Employer branding activities

With the goal of becoming a bank which "Everyone wants to join and no one wants to leave", along with the core values of efficiency and customer respect, in 2023, MSB carried out many recruitment activities to develop professional and diverse human resources, expanding transaction network, and improving service quality.

MSB attracted more than 40,000 applications from candidates for recruitment positions, organized and participated in 08 key recruitment programs and events such as:

- Organizing the "Campus to Bank 2023 - Bridging the Gap" Program: A visiting and exchange program for students of the National Economics University.
- Participating in a Job Fair at the National Economics University: Organize booths and talk shows to exchange and share knowledge with students.
- Participating in a Job Fair at the Hanoi University of Science and Technology: Organize booths and gameshows to attract a group of potential candidates for the technology field, serving the goal of digitalization.
- Participating in the Opening Ceremony of the new academic year and sponsor scholarships for students who have high academic achievements and overcome difficulties at the Banking Academy. This is the basis to enhance the cooperative relationship between a leading training unit in the Finance and Banking industry and MSB.
- D-Innovation 04 Recruitment Program: an annual recruitment program for a group of candidates with experience in the technology field.
- MSB Bug Hunting: competition, technology arena for software testing positions (Tester), helping to find technology talent for MSB in this field.
- Participating in the Inauguration Ceremony of the National Innovation Center - NIC Hoa Lac: Organize booths and promote the MSB's technological recruitment brand at the national event.
- Happiness Station: Organize the area in the form of a "rest stop" to express gratitude to employees who have joined hands to build a happy working environment, spreading the message "Happy Bank" to the community and potential candidates.

The number of applications was not much different from 2022, reflecting the bank's development needs in a fluctuating economic context. Recruitment positions mainly focused on areas such as customer relations, credit, information technology, security, and risk management. MSB continued to apply recruitment criteria as prescribed: rigorous, transparent and fair, based on the candidate's

capacity, experience, education level and working attitude. The bank used many different recruitment channels, such as recruitment websites, social networks, seminars, job fairs, recruitment partners and referrals from internal employees. The bank has also increased cooperation with universities and colleges to find and train potential candidates, especially new graduates.

To enhance the employer brand, MSB carried out communication campaigns to share about a friendly, sociable, creative and humane working environment, to encourage employees to stick together, and at the same time gave constructive opinions and contributed to the MSB's development. In addition, the shared content also included messages about many training programs, attractive compensation and benefits policies for employees; at the same time, honor and reward employees with excellent achievements and great contributions to the bank.

The above key factors helped MSB achieve many successes and prestigious awards in the "Best Place to Work in Vietnam" survey by Anphabe - a leading company specializing in human resources research and consulting in Vietnam, specifically:

- Top 15 typical enterprises with **"Happy human resources"**
- Ranked 2nd in the Banking industry.
- Ranked 19th in the Top 100 **"Best Place to Work in Vietnam"**

Despite of many economic challenges, in 2023, MSB still recorded meaningful achievements in recruitment and human resource development. MSB will continue to maintain and improve the quality of recruitment activities, meet the human resource needs for the bank's sustainable development, accompanying "Reaching Together" with all customers, employees, shareholders and the community.



Welfare policy

One of MSB's 5 core values is the "Humanity" value with the policy "Happy employees will strive to make customers happy", MSB clearly understands that employees are the bank's most valuable asset and the core of sustainable development.

MSB always focuses on creating a safe and favorable working environment for employees to feel secure in their work, improve work efficiency, and ensure diverse remuneration regimes to optimize benefits between MSB and employees.

Standard benefits	MSB always complies with legal regulations related to employees and fully implement social insurance, health insurance, unemployment insurance, labor accidents - occupational diseases, and 24/24 accident insurance.
Compensation policy	All bank employees are paid remuneration according to the Salary and Bonus Regulations and receive benefits according to the Collective Labor Agreement. MSB's highest management level (the Board of Directors and the Board of Supervisors) is paid remuneration according to the decision of the annual General Meeting of Shareholders.
Insurance and health care	<p>MSB always prioritizes protecting the health of employees and implements the following policies:</p> <ul style="list-style-type: none">• Periodic health check-ups with many appropriate items, disease screening according to the needs of staff at reputable, quality hospitals with an average cost of VND1.5 million/person.• Health insurance: Employees benefit from a comprehensive health insurance under the "MSB Care" program with insurance policies and values increasing each year. Specifically, leadership positions: Insurance value up to VND1.5 billion/person; other positions: Average insurance level is VND300 million/person.• Taking annual vacations to regenerate labor.• Medical room for employees and function room for female employees who are raising children.
Welfare/ Benefits	<p>Subsidies and rewards:</p> <ul style="list-style-type: none">• Meal/transportation/phone/makeup allowances.• Bonuses for “Tết” and other holidays.• Harmful compensation regime in kind.• Performance-based bonus. <p>Life-support welfare:</p> <ul style="list-style-type: none">• Cultural-artistic-sports activities.• Gifts for employees' children on the occasion of June 1st, Mid-Autumn Festival, achieving the title of excellent student, school opening day.• In addition, MSB employees will enjoy additional benefits such as full paid leave on their birthday and 1 day leave compared to the Labor Code. <p>Benefits for female workers:</p> <ul style="list-style-type: none">• Gifts for female employees on the occasion of March 8th and October 20th.• Maternity allowance.• Prenatal care leave days increased in comparison with the Labor Law.• Maternity leave: MSB applies a maternity leave policy to employees (both men and women) in compliance with the provisions of labor law and policies on rewards, benefits, health insurance and other types of added insurance; at the same time, employees are still evaluated for annual emulation, periodically considered for salary increases and have their work efficiency evaluated as a basis for annual performance bonuses and related welfare regimes.
Other welfare/ support/ benefits for employee engagement improvement	<ul style="list-style-type: none">• Flexible working hours for staff working at the Head Office.• 03 late check-ins/early check-outs per month with a maximum time of 4.5 hours/month without salary deduction so that employees can have time for family bonding.• Preferential loan policy for employees.• Paternity leave for male employees.

In recent years, MSB has regularly updated and analyzed market salary assessments and evaluated employee performance (100% of employees have their work performance periodically evaluated). Since then, MSB has always strived to innovate and regularly update policies on salaries, bonuses, and benefits in accordance with business strategies, while ensuring the rights of employees to perfect the remuneration.

In particular, MSB has implemented a typical project called "Digitizing the human resources service journey" to improve the experience for employees and increase welfare policies in accordance with MSB's own policies, income policies based on employee performance. Futher more, MSB always strives to equalize male and female employees with benefits for female employees according to general state regulations and MSB's own regulations: committing and ensuring the position for employees after the end of the maternity leave period.

Regarding to workplace health and safety, MSB commits to providing a healthy and safe working environment; ensures full implementation of responsibilities for labor safety and minimize the risk of harm to employees and constantly improves the working environment and health policies at the same time.

At MSB, we comply with the regulations of the Labor Code 2019, the Law on Occupational Safety and Health 2015; regularly make a plan for maintenance, infrastructure improvements and training on occupational safety and health.

Identifying occupational safety and hygiene risks at MSB is as follows:

- Occupational safety and hygiene risks that may be encountered at MSB include: Fire, explosion, traffic accident, electric shock, injury.
- MSB has not recorded any occupational accidents, nor reports about occupational health and safety at office. MSB has

implemented insurance policies and periodic health checks for employees to prevent occupational diseases and improve employee lives.

- Process systems and hygiene safety networks are also being improved day by day.

MSB has taken practical actions to protect employee health and workplace safety, specifically:

- Deploying the medical room model at Hanoi headquarters, arranging function rooms for female employees who are raising children.
- Complying with legal regulations related to employees and fully implement social insurance regimes; health insurance; unemployment insurance; labor accidents-occupational diseases; 24/24 accident insurance, health care, supporting for treatment and visitation costs for employees when they are sick or have an accident on the way to work.
- Organizing periodic health checks with many appropriate items, perform disease screening for employees at reputable and quality hospitals/medical facilities with an average cost of VND1.5 million/person.
- Registering for medical examinations, monitoring periodic examination schedules and storing health data of employees in the human resource management system.
- Separate management team to handle the issues of safety and working condition quickly, promptly and effectively.
- Regularly checking labor safety and hygiene inspections at workplaces.

TRAINING PROGRAMS

In 2023, MSB continued to invest heavily in training programs to improve the qualifications of the staff, while building a new generation of successors.

- Training programs on capacity development were strongly deployed with 64 classes corresponding to 03 projects, 20 training courses for 2,054 leaders/managers, specifically:

Capacity Development Training Team	Training content
Senior leaders: 04 courses and 02 projects (Leading The Way Project, Mindful Leadership, Elite Mentoring Project: Mentoring skills and transfer of mentoring toolkit, Pit Stop Leader and Expert, English Language Premium) Number of participations: 169 Average rating: 4.7/5	Leading The Way Project Building a capacity framework and training roadmap for leaders of band 8 and above Mindful Leadership: <ul style="list-style-type: none">• Clearly see and know• Calmly receive• Delicately behave - Make wise decisions when facing adversity Mentoring skills and mentoring toolkit transferring <ul style="list-style-type: none">• Mentorship philosophy and model• Mentor – Mentee capacity development toolkit• Mentoring toolkit Pit Stop Leader and Expert <ul style="list-style-type: none">• Power of creating a team bonding “glue”• Power of motivating the team to continuously break beyond their own limits• Power of giving and receiving feedback among team members
Leaders across the Bank: 03 courses & 01 project (Inspiring for Change, Leader Talk and Do: The Art of Turning Things Around, M.Digi Leader Project) Number of participants: 223 Average rating of M.Leader Training Course: 4.6/5 Average rating of M.Digi Leader Project: 4.1/5	Inspire Change <ul style="list-style-type: none">• Platforms drive change• Leading the team through change• Stress management and positive thinking• Inspirational storytelling and communication The Art of Turning Things Around <ul style="list-style-type: none">• Identifying high-leverage behaviors to focus on• Analyzing the root cause behind behavioral problems• Effectively motivating and empowering others, regardless of appointed authority or not• Creating behavior change strategies to deliver quick and long-lasting results M.Digi Leader Project 02 training courses with 80 leaders have gained additional capacity to inspire and lead the team to change according to the digital transformation strategy
Managers across the Bank: 03 courses Number of participations: 695 participations Average rating: 4.6/5	M.Manager Talk and Do: <ul style="list-style-type: none">• Motivating and team bonding• Coaching skills• Optimal task assignment, maximum performance• Review Capacity improvement for Band 5 leaders <ul style="list-style-type: none">• Portrait of a manager/leader



Capacity Development Training Team	Training content
Leaders and Managers for Specialized Bank and Divisions: 6 courses (Bootcamp Business Manager, Planning Manager, Onboard Manager, RB Leader, EB Planning Hub Head, Leadership Skill Improvement for EB Middle Manager) Number of participants: 772 Average rating: 4.7/5	BM Bootcamp <ul style="list-style-type: none">• Effective communication skills• Prioritization and delegation skills• Influential presentation skills• Time management skills Planning Manager <ul style="list-style-type: none">• Workshop on products, credit & non-credit operations• Business administration/Business planning• Operation, risk and compliance management• Enhanced customer experience BM Onboard <ul style="list-style-type: none">• Customer segmentation• MSB's goals, strategies & core values• Profit and loss management• Operation and support tools• Customer experience• Risks and compliance operation• Product overview RB Leader <ul style="list-style-type: none">• Coaching and motivation• Human resource management for RB leadership team (HR for non-HR)• High-performance team buiding EB Planning Hub Head <ul style="list-style-type: none">• Financial statement analysis - Customer appraisal - Fraud prevention• Micro-market analysis & sales management• Human resource management for the EB Planning Hub Head team (HR for non-HR) Leadership Skill Improvement for EB Middle Managers <ul style="list-style-type: none">• Application of Physiognomy in human resource and business management
Talentpool: 2 courses Number of participants: 195 Average rating: 4.2/5	<ul style="list-style-type: none">• Mindful Leadership (Search Inside Yourself)• Digital Organization and Ecosystems

- Training forms and quality of internal instructors were diversified and continuously promoted to suit different types of students (basic/advanced, online/in-person). The internal instructors got high evaluation scorereached the same level as that of external instructors at 4.7/5.

- Average training hours per year: 51 hours for managers, 47 hours for staff.

2024 Orientation

Following the journey of increasing employee experience and grasping the strong digital transformation trends, in 2024, MSB will continue the project "**Digitizing the human resources service journey**" and other technological projects in human resources such as "**Building an HRIS module on M-Connect’s mobile application**", "**Building a performance management system - PMS**"; ensure transparency in salaries, bonuses, remuneration policies as well as optimizing employee resources.

Due to large of working hours and workload, MSB always prioritizes implementing increased remuneration policies for employees to promote balance between work and family. In 2024, MSB will conduct the "**Family Accompanying**" program by increasing leave days for female employees raising children under 12 months. This additional policy helps female employees balance their lives and take comprehensive care of their children. MSB wants to provide a women- and family-friendly working environment; demonstrates concern and care from the business side to employees and their families.

In 2023, MSB also conducted surveys and implement innovative contribution programs to listen to employees’ aspiration. In particular, in 2024, MSB chooses the initiative to provide more alternatives to parking tickets and monthly parking subsidies. The staff will be able to choose alternatives to parking tickets, support parking by choosing public transportation such as bus tickets, train tickets... This initiative aimed at sustainable development by not only bringing a good experience to workers when proactively choosing transportation support options to work, but also many other benefits such as: Environment protection, reduction in traffic congestion, cost saving, health improvement...

Regarding training activities, in 2024, MSB will organize many useful courses for employees to improve their capacity profession as well as management as follows:

Capacity Development Training Team	Expected training course
Senior leaders	+ "Capacity improvement for leaders from Band 8 and above (Leading The Way)" Project + 1-1 coaching for senior leaders (Executive coaching) + Short-term training course for senior leaders (Executive short course) + Phase 2 of Elite Mentoring: <ul style="list-style-type: none">• Innovation initiatives• Expansion of mentoring activities combined with empowerment
Leaders across the Bank (Band 7): 04 courses	+ AI trends in management and innovation activities at MSB + Coaching through experience + Systemic thinking in digital transformation + Personal branding
Managers across the Bank (Band 5, Band 6): 03 courses	+ Systemic thinking in digital transformation + Planning and execution management + Employee coaching and mentoring
Experts across the Bank (Band 5, Band 6): 02 courses	+ Systemic thinking in digital transformation + Employee coaching and mentoring
E-learning training for managers and experts throughout the system	+ Design thinking + Change management + Impact of digital transformation on business + Data analysis
Talentpool: 3 courses	+ Update knowledge related to legal operational risks in the context of digital transformation + AI trends in management and innovation activities at MSB + Coaching through experience

Capacity Development Training Team	Expected training course
Manager capacity development by Specialized Bank/Division/Unit	<p>RETAIL BANKING</p> <p>Capacity enhancement program for BM (BM Bootcamp)</p> <p>+ Phase 1: Basic learning and practice</p> <ul style="list-style-type: none">• Training on credit characteristics and policies• Non-credit products• Customer service business• Service quality management• Workshop on credit and non-credit products• Fieldwork on professional positions of job titles at branches <p>+ Phase 2:</p> <ul style="list-style-type: none">• People management, team management• Coaching and feedback skills• Business plan preparation and implementation• Risk and compliance management• Communication and presentation skills• Fieldwork on BM position <p>Successive BM</p> <ul style="list-style-type: none">• Credit operations• Non-credit operations• Presentation skills• Customer experience management• Team management skills• Risk and compliance management• Business planning• Workshop - Target assignment & sales planning• Workshop - Business program/sales campaign deployment <p>BM Onboard</p> <ul style="list-style-type: none">• Organizational structure, career roadmap• KPI• Profit and loss management• Operation and support tools• Credit overview• Retail credit granting processes and policies• Guidance on retail customer appraisal• Operations control, operational risk and service quality management• Fraud prevention• Flexible mortgage products• Mortgage products for business households• Unsecured credit products - salary-based customer segment• Unsecured credit products - business owner segment <p>CORPORATE BANKING</p> <ul style="list-style-type: none">• Management and operation skills for team leaders and hub heads <p>M.DIGI LEADERS PROJECT</p> <ul style="list-style-type: none">• M.Digi Leader Program: Building a competency framework and training roadmap for each selected digital leader in which included 5 main training sessions, 12 in-depth small group discussion sessions, 19 knowledge-sharing sessions with experts, 84 knowledge-sharing sessions with coach.• Digital academy: Expectedly implementing 5 main contents, each consisting of 3 levels (basic, advanced, professional) for the transformation project’s core technology team across the bank.



CORPORATE CULTURE DEVELOPMENT

With the goal of becoming a strong and sustainable and growing enterprise, together with business strategies, human resources and digital transformation, MSB pay a special attention to developing its corporate culture.

On June 26th, 2023, the MSB's Board of Directors approved the Resolution No. 0420/2023/NQ-HDQT on adjusting the core values of Vietnam Maritime Commercial Joint Stock Bank, with the core values aiming at Customer Focus - Creativity - Responsibility - Efficiency - Humanity, which clearly affirmed MSB's new orientation in cultural development.

During the last 6 months of 2023, in order to help MSB employees imbibe the culture and shift the "people - results" oriented culture to the "people - innovation" oriented culture, the Corporate Culture Department has implemented activities to popularize the cultural foundation, implement strong cultural development and deploy it across the bank. Initially, this activity recorded many positive results. Training programs were continuously organized, recording 97% of employees participating and completing; many alliance emulation programs have been successfully implemented and widely deployed in clubs such as M runners, M music... Participating in these activities helped the team bond and enhance coordination between Divisions, Departments at the Head Office and business units. The goal of building a strong organizational culture is to create leverage to help the bank develop not only effectively but also sustainably, bringing a unique culture to MSB and promoting a happy working environment. Therefore, the 5 core values and 15 established cultural behavioral standards should be the action habits of each MSBer.

These recent positive changes have motivated for MSB's cultural development actions. Most senior and key personnel are trustworthy, committed and willing to change and empower. Along with that, the Corporate Culture Department has built a team of cultural ambassadors for promoting and developing activities throughout the bank/system. This team implemented, led and spread cultural values to all MSB employees through clubs, alliance competitions, training... to improve the process of implementing MSB corporate culture.

Together with the 2023-2027 strategy, the Corporate Culture Department has developed a cultural development strategy for the 2023-2025 period. In addition, the orientation for 2024 has been built to popularize MSB's corporate culture platform and especially spread the "Servant Leadership" theme, specifically as follows:

- Popularizing the corporate culture foundation helps employees instill and incorporate the behavioral standards of core values into their daily work. Training courses of corporate culture practice will be widely deployed and help staff easily apply and implement.



MSB leadership and cultural events regarding 5 new core values

- Shifting the "people - results" oriented culture to the "people - innovation" oriented culture through the alliance emulation program, the clubs continue to be spread and deployed directly in the provincial area, under the guidance of the Corporate Culture Department and the cultural ambassador team.
- Promoting communication to spread the theme "Servant Leadership" to leaders and middle managers at business units, demonstrating the spirit of Leadership. All leaders should: proactively open - listen and share - support - accompany - take responsibility with staff at work, thereby promoting a more proactive spirit - dare to engage - dare to think - dare to do - innovate and share responsibility from employees to leaders.



Conference at MSB with the spirit of "Servant Leadership"

In 2024, the Corporate Culture Department will steadily implement cultural development activities and spread them to the community through the following Clubs: M Runners, M Green Living (volunteering). With the goal of spreading the brand MSB to the community, clubs are regularly organized and deployed in provinces and cities with MSB transaction points, thereby spreading humanistic values and contributing to enhancing the theme of sustainable development internally as well as outside.



INVESTMENT AND PROJECT IMPLEMENTATION SITUATION

TECHNOLOGICAL PROJECTS

MSB has built strategic programs and digitalization roadmaps to improve service quality for both external and internal customers for carrying out digital transformation in a methodical and comprehensive way. With consultant of BCG and McKinsey, MSB has shaped major programs such as BPM (business process management), EDT (enterprise data transformation), DC (digital channel), STP (straight through processes).

Under the direction, in 2023, MSB successfully implemented many projects that are the foundation for the future digital roadmap. Typically, the Low Code project allowed building applications without having to write programming code from scratch, users can use drag and drop tools through the interface as well as available components to create applications easily; or ERP project to digitize internal journeys in asset management, record keeping processes and accounts management for easy financial management, limiting manual human intervention; the New ATM project deploys a new generation ATM that allows customers to self-operate banking services such as cash deposit, withdrawing and online two-way interactions with bank staff 24/7.

In 2023, MSB also developed many projects to strengthen infrastructure capacity, such as: Replacing the disk cabinet system and San Switch to improve network layer storage and routing capabilities; upgrading the RAM of DC's Wintel server system to increase transaction processing speed... Thanks to these projects, MSB's infrastructure operated stably with high performance, meeting the requirements of future digital projects.

Additionally, MSB also deployed an SDWAN solution with high security measures. Besides reducing channel costs, the solution also allowed MSB to easily control traffic on the network infrastructure, flexibly redirect transmission lines, continuously monitor 24/7 and allowed to set circulation priorities according to the importance of the financial transaction.

The system-wide "Personal Computer Replacement" project was deployed to more than 7,000 employees, thereby promoting a sharp increase in labor efficiency on a large scale, up to 40% processing speed in MSB. In particular, this project brought great efficiency in reducing transaction processing time for customers at the counter, and at the same time, making users' computers compatible with new, modern software that will be deployed in the future as well as meeting compliance with computer regulations in testing, monitoring, ensuring safety, risk prevention.

In addition to strategic programs, the Technology Division and business departments also proactively implemented other projects in 2023 such as:

- Enhancing management capacity and system integration: MSB has established an Application Programming Interface (API) Department to deploy and build technology platforms and support projects in integration. The Technology Division has built an API platform based on modern technology, standardizing core APIs for the system and many interactive projects. At the same time, management mechanisms, governance and technology standards in integration have also been issued. API lifecycle management was professionally managed through the API CoE team from ideation, design, implementation to completion.
- Cloud data migration: MSB developed a strategy and roadmap to implement the cloud migration through the establishment of a specialized cloud CoE department to:
 - + Advise the Board of Directors on building a vision and strategy for cloud data migration.
 - + Be in charge of developing plans to ensure information security and risk management together with other departments.
 - + Manage and govern resource allocation and cloud service usage costs effectively.
 - + Build an optimal cloud-based service delivery model across the bank.

In 2024, the Technology Division aims at:

- Completing the implementation of the new Core Banking in the first quarter of 2024 and continuously support operational units when having problems, ensuring stable transactions and operations.
- Promoting digitalization, especially on mobile/internet banking towards the "end to end" journey to comprehensively digitize and bring great experiences to customers.
- Building a big data platform that allows intelligent exploitation and analysis, serving lending decisions and supporting digital business such as: digital marketing, digital sales...
- Acting as the data platform that maximizes business support as well as creates information consistency across all channels from offline to online and vice versa.

DIGITALIZATION PROJECTS

Continuing the banking digitalization strategy, in 2023, MSB implemented many large projects with initial positive results:

Digital Factory Project: With the goal of fully digitalizing the journey to improve customer experience, applying advanced analytics for decision making to optimize operational efficiency and minimize risks, promoting digital culture, in 2023, the project partially and completely digitized the following journeys:

- Unsecured loan and credit card (for individual customers) journey which has been 100% digitized from registration to disbursement and card issuance;
- The business customer credit journey (for Business Owner - BO, Small Business Owner - SBO, Super Small Enterprise - SSE) which was 100% digitized from registration to approval for both new and existing customers.
- The insurance journey was done 100% online, including: registration, payment, issuance, renewal, contract management.
- Homeloan journey which was initially digitized for the loan registration process.
- Unsecured and secured loan journey for corporate customers: Completing the entire credit-granting journey for corporate customers, serving all new credit-granting and credit-re-granting needs.
- Credit granting journey for Solv and Misa partners: Digitizing 100% of the credit granting journey from loan application to customer approval on the partner's platform.
- Direct credit-granting approval journey for customers who was 100% digitized from loan registration to credit contract drafting, appraisal and approval automation, and document drafting.

Thanks to completing the digitalization of more experience journeys, MSB grew strongly in the number of customers with 33,000 new customers in 2023, of which card customers account for nearly 50%, equivalent to 16,000 new cards. Besides, revenue from digital channels also recorded VND500 billion.

Core Banking Modernization Project: Replacing existing core banking with a new one. The new core banking system with many superior features will help improve security, increase processing speed and accuracy of the system, and enhance customer experience. Continuing the Core Banking transformation roadmap, in 2023, MSB completed 03 rounds of extensive testing of T24 features, 03 rounds of real data testing at all Branches/Transaction Offices, recording positive results with 89% of T24's features rated satisfactory. Previously, in order to have the best preparation, the Project team completed the development of a detailed set of training documents and organized 03 Core T24 training sessions for employees across the bank.

Digital Channel Project: Developing a stable digital channel platform, ensuring scalability and high reliability; building new platforms for Retail Banking, Corporate Banking and digital applications; unifying customer experience across journeys and channels. Typical features of the project include:

- Feng shui account - M-Nick, multi-style account.
- Deploying cash withdrawal features via code (Cash by Code), automatic debt deduction, foreign currency trading, sharing transaction history, account fluctuation statements, international payment disbursement...

With the goal of building a "world-class" digital channel, MSB has developed a strategy and plan to deploy digital channels on the internet and mobile platforms according to consulting from McKinsey’s consultation with the following criteria:

- Absolute safety and consistent experience across all transaction channels for customers.
- The system is capable of two-way interaction in digital transactions to serve customers.
- Maximizing customer personalization to achieve the best experience in banking transactions.
- Stable, convenient and fast.

Magnet Project: Building a comprehensive infrastructure, leveraging the power of real-time and 360-degree customer data, and applying marketing technologies to attract, engage and retain users through innovative and personalized experiences. The project has helped:

- Attract more than 10,000 new individual customers.
- The conversion rate from “app installation” to customers with “successful account registration” reached 12%, higher than the baseline growth rate of 2%.
- Remarketing journey for customers who have not used the service yet: Converting from 8 hours of manual work/week to 100% automation.
- The rate of customers using accounts reached 76%, 3 times higher than the baseline growth rate.

Operational Process Digitalization (BPM Op - BPM Risk) Project: Deploying digitalization of credit operations processes from lending to collateral management or operational processes to optimize resources in specialized departments; digitizing many processes such as internal approval in administrative work, asset management/allocation, human resource management, risk control... for helping to significantly improve labor productivity and creating an important component in MSB’s digital journey at MSB in the coming time.

The project's achievements in 2023:

- Digitized 8/9 operational process workflow with 7/8 flows increasing labor productivity by 20% (including drafting, limits, disbursement, guarantees, L/C, international money transfer, post-loan services).
- Successfully developed a credit platform on a unique digital channel (Digi-Lending) to fully serve the individual customer lending journey and an internal platform for corporate customers.
- Successfully digitized 5 credit-granting approval process flows for individual and corporate customers and integrated more than 15 satellite systems into Digi-Lending.
- Continued to digitize 33 credit-granting approval process flows for individual and corporate customers in 2024.

Operations Transformation Project: Developing additional channels to receive customer requests such as automated chat solutions/services (chatbots), 24/7 support to improve and enhance the experience and boost over-the-counter transactions. The project has helped:

- Service model transformation: Increasing the proportion of requests received from digital channels to 27% in 2023.
- Customer experience enhancement: Easily accessing and sending requests through digital channels (multi-channel) including website, mobile app, Zalo, Facebook. Individual customers can easily create, send and track money transfer and card investigation requests... on their mobile app.
- Operational efficiency optimization: Reducing the time for a investigation request at the Call Center by 50%; focusing on the investigation service model digitization; designing solutions to shorten the time to receive customer requests, managing the quantity and quality of requests. Receiving and processing flows (including systems and processes) have been improved to optimize service commitment and increase automation rate along the journey.

Enterprise Data Transformation Project: Unifying MSB’s data; improving organizational capacity, management and data exploitation throughout the bank.

- **Data Platform:** Allowing automatic integration of analysis results on customer segments, integration of customer transactions in real time; supporting the Digital Marketing Department to deploy campaigns and collect customer’s feedback automatically.
- **Data Governance:** Establishing structure, regulations, and comprehensive data management processes for MSB; completing metadata of information fields for individual and corporate customers; building basic features of data management tools and building bizcap for data management solutions.

- **Data Analytics:** Performing analysis of customer portraits and usage behavior, integrating scoring models to serve business orientation.

To effectively implement the digitalization strategy, MSB prioritizes to develop a large, centralized database to serve advanced analysis and optimize the ability to exploit and use information effectively and promptly. In 2023, MSB built a data strategy, clearly separating exploitation and management functions, and organizing specific training for personnel to improve expert capacity and transparency in data exploitation and management. Prioritized data use cases have also been established and are being implemented according to each specific partition, ensuring the best optimization for MSB. With the technology platform and architecture for big data, MSB has tested many rounds to determine the most suitable and optimal level for business characteristics. It is expected that MSB will officially apply the strategy to exploit and analyze big data on a large scale in 2024.

Risk STP – Straight Through Processing Project: Designing processes and policies, integrate and digitize processes on risk models and risk approvals, develop real-time environments; build and upgrade risk management models and standard workflows.

- Automate screening of interested customers and pre-approval for digitalization projects.
- The system automatically rates credit 100% without human assistance, reducing implementation time from 30-45 minutes to 3 minutes.
- Automate credit portfolio reports, identifying early warnings and risks.

In 2023, MSB completed the model, necessary datas and tested a number of features which were applied in automatic lending on MSB's digital channels, helping to improve customer experience. Loan journeys are highly appreciated by customers for their efficiency and convenience.

Digital Sales Platform Project: Developing a single platform for the frontline that integrates conveniently with other digital platforms of MSB and its partners, thereby helping to improve sales performance, develop sales team capacity and rapidly expand sales channels for MSB. This project has helped:

- Support business units to capture information, orient customer exploitation, and complete and unified customer information on one platform.
- Ensure 100% of sales force’s daily sales opportunity creation and management activities to be carried out on a digital platform.
- Integrate with other MSB’s platforms to increase the number of interested customers, selling opportunities and automatically update information, application status, and sales opportunity processing status for users.
- Connect system data and receive suggestions for new sales opportunities to support sales staff; support sales staff to manage existing customers and optimize customer portfolio.



MSB'S REPORT ON ENVIRONMENTAL AND SOCIAL IMPACT

According to World Bank, in the 2011-2022 period, economic losses due to the negative impacts of climate change in Vietnam could reach over US\$10 billion. To adapt to climate change, Vietnam issued the National Climate Change Adaptation Plan (NAP) for the 2021-2030 period, aligned with vision to 2050 for 3 groups of tasks and priority solutions to improve the effectiveness of adaptation to climate change; has strengthen resilience and improve adaptive capacity of communities, economic sectors and ecosystems; reduce natural disaster risks and minimize damage, and be ready to respond to increased natural disasters and climate extremes. However, Vietnam is facing with many challenges, including a lack of financial resources, qualifications, and experience, and not being able to meet urgent requirements. It is estimated that Vietnam's financial need for climate change adaptation in the 2021-2030 period is up to US\$100 billion.

Accompanying the Vietnamese Government in responding to climate change, MSB has continued its foundational activities for sustainable development since 2022 (commitments with the Vietnamese Government, establishment of the Sustainable Development Committee, cooperation with international partners with experience in building an Environmental - Social risk management system (ESMS)) towards the goal of achieving net zero emissions by 2050. 2023 was

recognized the year of "greening" process in MSB, the transformation from internal to a pioneering position in the banking market in sustainable development activities, ensure that the goals set since 2022 were implemented and enforced, specifically:

- With close support from experienced international organizations since the end of 2022, in May 2023, MSB issued internal regulations related to Environmental and Social risk management. These documents and processes were supported in developing, reviewing and updating in accordance with domestic and foreign standards. Since June 1st, 2023, 100% of new bank loans has gone through the Environmental and Social risk assessment process.
- Launching with the first loan from Proparco (France) worth US\$30 million, focusing on green credit in December 2022. By November 2023, MSB signed a Letter of Interest with FMO worth US\$100 million specifically for small and medium-sized enterprises (SMEs) and projects with green criteria. MSB continues to approach, exchange and cooperate to mobilize capital to support sustainable development from international organizations such as IFC, FMO, ADB, Proparco...



Mr. Nguyen Hoang Linh - MSB's Chief Executive Officer signed a Letter of Interest with FMO under the witness of the Prime Minister of the Socialist Republic of Vietnam.

• MSB has also begun researching and designing green credit products for existing customers to accompany the transition to a green economy. MSB also aimed to build and attract new customers who have green criteria in their operations. 2023 was the period when MSB has promoted connections with ministries, branches, and experts from foreign organizations in the initial steps of building solutions to promote green credit; popularize knowledge in the "green" trend to employees; set the stage to prepare for the solution implementation phase, promote the coverage of green products and products with sustainable development criteria, aiming to increase the proportion of green credit in the credit portfolio structure as well as expand new business opportunities. As of December 31st, 2023, MSB's total outstanding debt for the green credit sector was VND5,866 billion, issued to 148 customers, growing more than 7% compared to the end of 2022 and accounting for nearly 4% of MSB's total loan portfolio.



MSB Leadership met representatives of the Department of Climate Change under Ministry of Natural Resources and Environment in October 2023

- In addition to initial activities for establishing a sustainable development strategy to gradually reduce the proportion of credit from high-carbon emission sectors, focusing on providing finance to low-emission sectors and businesses, looking for opportunities in the new green trend, MSB also focused on transforming the bank's internal communication programs on the environment, saving fuel consumption, green living messages and activities care for the spiritual life and health of MSB's employees in 2023.
- Focusing on strengthening dialogue and cooperation with relevant parties with the criteria of compliance, transparency, ensuring rights and expanding support and companionship.



Representatives of MSB Leadership at Can Tho Branch



Training activities at MSB

2023 was also the year that MSB actively spread the message of sustainable development to its employees through:

- Messages and documents about the ESMS system are provided to the bank..
- Direct in-depth training for managers.
- Training workshop to strengthen capacity and raise awareness of climate change response for senior bank officials organized by the Sustainable Development Committee in collaboration with the Department of Climate Change under Ministry of Natural Resources and Environment.



MSB Leadership and Director of the Department of Climate Change

- MSB's leaders and the Sustainable Development Committee attended the 28th United Nations Climate Change Conference (COP28) in Dubai.



MSB's leaders participated in the COP28 Conference in Dubai, UAE








Ms. Nguyen Thi Thien Huong - Chairwoman of MSB Sustainable Development Committee at the COP28 Conference

Following the independent Sustainable Development report of 2022, in 2024, MSB will issue a report on sustainable development activities for 2023, reviewing and re-evaluating activities carried out during the year, integrating sustainable development elements in all business activities as well as daily operations from which to devise the bank's long-term sustainable development strategy. For more detailed information, please refer to MSB's 2023 Sustainable Development Report (independent report).

The sustainable development report helps clarify MSB's strategic direction and commitment to stakeholders. The scope of the report includes 1 head office, 62 branches and 201 transaction offices in provinces/cities across the country, subsidiary (TNEX Finance Company Limited). Creating Sustainable Development Report helps MSB proactively review and re-evaluate activities carried out during the year on aspects of sustainable development. In the process of implementing activities towards this goal, MSB always discusses with partners to identify issues of concern and thereby identify key issues that need to be implemented, reviewed and improved. Through the Sustainable Development Report, MSB aims to provide transparency in information about the impacts of its activities on the economy, environment and society to interested parties. This helps the Board of Directors orient development plans for sustainable development, while balancing the interests of stakeholders.

EVALUATE MSB’S ACTIVITIES IN 3 AREAS: ECONOMY - ENVIRONMENT - SOCIETY

Achievements in 2023		Sustainable Development Goals - SDGs
Economy		
Economic performance	<ul style="list-style-type: none">• Total operating income (TOI): VND12,259 billion.• Profit before tax: VND5,830 billion.• Profit after tax: VND4,644 billion.• Net profit from investing in Government bond portfolio: VND512 billion.• Net profit from foreign exchange trading activities: VND1,072 billion.• Total outstanding credit: VND149,145 billion, of which for the green credit sector was VND5,866 billion for 148 customers.• Employee’s salary and benefits: VND2,838 billion.	<div></div> <div></div> <div></div>
Indirect economic impact	<ul style="list-style-type: none">• Submitted VND1,907 billion to the State Budget.• Sponsored: VND3,148 billion for community development activities.• Created jobs for 6,308 employees.	
Environment		
Comply with environmental laws	<ul style="list-style-type: none">• In 2023, MSB did not record any cases related to violations of environmental laws and regulations	
Emission management	<ul style="list-style-type: none">• Electricity consumption: 12,390,087 kWh/year• Water consumption: 166,562 m³/year• Total quantity of solid waste: 116.6 tons/year	<div></div>
CO ₂ emissions	<ul style="list-style-type: none">• Total CO₂ emissions: 10,892.37 tons of CO₂e/year• CO₂ emissions in scope 1⁵: 931.354 tons of CO₂e/year• CO₂ emissions in scope 2⁶: 8,946.88 tons of CO₂e/year• CO₂ emissions in scope 3⁷: 1,013.43 tons of CO₂e/year	<div></div>

⁵ Scope 1: Direct emissions which are emissions from sources at facilities owned or controlled by the company: fuel burning activities to operate the enterprise's vehicles.
⁶ Scope 2: Indirect emissions which are emissions from purchased external power generation consumed at company-owned or controlled production facilities: from electrical equipment.
⁷ Scope 3: Other indirect company emissions which are emissions from sources not owned or controlled by the company: employee movement activities; activities of using vehicles for business trips; activities using means of production; from waste and wastewater generated.

Achievements in 2023		Sustainable Development Goals - SDGs
Society		
	<p>Compensation and benefits: 100% of employees were satisfied with their compensation and benefits</p> <p>Training and development:</p> <ul style="list-style-type: none">• 64 training classes corresponding to 3 projects, 20 training courses for 2,054 leaders/managers to attend• Average 51 hours of training for managers• Average 47 hours of training for staff• Diversity and equality• 47.9% female ratio in management level• Labor relations: 100% of employees participated in the collective labor agreement	<div></div> <div></div> <div></div> <div></div> <div></div>
Labor and employment		
Ensure engagement with stakeholders	<ul style="list-style-type: none">• Attended all meetings, explained and contributed opinions at the request of the Regulatory Authority, Ministries, Departments and partners• Successfully organized 01 Annual General Meeting of Shareholders and 01 session of collecting shareholders' written opinions• Organized 04 meetings to report quarterly business results (including online meetings) with investors, securities companies, investment funds, potential investors, and interested partners to MSB’s business activities• Attended investor seminars organized by Saigon Securities Incorporation (SSI) and Citibank• Organized meetings with shareholders, institutional investors, and potential investors as required• Received information from investors and parties interested in MSB via email: ir@msb.com.vn• Established a Contact Center working paralel with customer care channels such as email, hotline, Facebook, Zalo... for consultation to increase the ability to connect with customers• Organized customer satisfaction surveys: 99% of customers were satisfied, 98% of calls and emails were done well for customers	

WASTE MANAGEMENT

Type of waste		Ordinary solid waste	Wastewater	Emissions	Hazardous waste
Generated volume		116.6 tons/year	166,562 m³/year (estimated at 100% of water consumption)		
Applicable management measures (in order of priority from left to right)	Saving	<ul style="list-style-type: none">• Saving paper, encourage work exchange via email, digitize processes (internal communications, posting notices)• Norms for using stationery; using office printing paper produced from materials certified for sustainable forest management (FSC certified)• Limiting the use of single-use plastic items and nylon bags	<ul style="list-style-type: none">• Saving water in restrooms (internal communications, notice posting)	<ul style="list-style-type: none">• Applying fuel consumption norms for transportation vehicles, use vehicles that meet emission standards• Only using the generator in case of emergency or necessity• The air conditioning system uses modern, energy-saving technology. The air conditioning system is turned off after working hours and only maintained in necessary areas.	<ul style="list-style-type: none">• Replacing fluorescent lights with energy-saving and environmentally friendly LED lights
	Recycle/ Reuse	<ul style="list-style-type: none">• When damaged, large assets such as tables, chairs, cabinets, and computers are liquidated according to the process and not disposed of with other waste.• Print on 2-sided paper• Reuse packaging and containers	Not applicable	Not applicable	<ul style="list-style-type: none">• Encouraging refilling ink for printers and photocopiers instead of replacing new ones to limit emissions into the environment
	Disposal and treatment	<ul style="list-style-type: none">• Discarded solid waste is sorted at source and collected daily by cleaning staff• Collected waste is transferred to a qualified outsourcing unit for treatment according to legal regulations	<ul style="list-style-type: none">• Set up a domestic wastewater collection and treatment system in accordance with environmental standards	<ul style="list-style-type: none">• Periodically maintaining, repairing, and replacing vehicles and equipment to optimize performance• Applying exhaust gas filtration technology that meets environmental standards for generators	<ul style="list-style-type: none">• Classifying at source, collect and store according to regulations• Collected waste is transferred to a qualified outsourcing unit for treatment according to legal regulations

DEVELOPING CORPORATE CULTURE IN PARALLEL WITH SUSTAINABLE DEVELOPMENT

Along with impressive financial results, MSB increasingly focuses on building and developing corporate culture, especially activities for employees’ lives. MSB’s culture creates a friendly, close and cohesive environment from the Leadership to employees, maintaining a good tradition of solidarity. With the mission “For a more convenient and beneficial life” and the vision to become “The bank which everyone wants to join and no one wants to leave”, aiming at becoming a "Happy Bank", working in MSB, every employees are given the opportunity to improve themselves every day and develop in their careers as well. In 2023, MSB was in the top 15 typical businesses with happy human resources - announced by Anphabe - a pioneer in employer branding solutions.


Also last year, MSB’s Corporate Culture Department demonstrated its role in building a sustainable corporate culture foundation with its own identity to create differentiation and competitive advantage for MSB.



Established M Runners club throughout the entire bank with:


- **3,890** members
- **15** online and offline running tournaments and challenges
- **80,688** km

The M Runners Club had many active activities



Organized the first activity in the Green Day program series: Collecting old calendars with nearly 700kg of old calendars, old books, and recyclable paper


Staff collected old calendars - a meaningful activity on Green Day at MSB



The humanitarian blood donation program took place at Hanoi Headquarter and Ho Chi Minh City Headquarter:

- **Hanoi:** More than 200 people registered and 155 blood units were donated
- **HCMC:** More than 120 people registered and 81 blood units were donated

MSB’s staff participated in humanitarian blood donation



Supported communication and organized events on the sustainable development topic as registered by other Divisions/Departments at MSB:

- The Strategy Division’s Paperless Program: Total 10 news reports on internal communication channels
- Blood donation activities: Nearly 15 news reports on internal communication channels
- M Runners: More than 20 articles about running tournaments and activities of M Runners Club on communication channels





SUSTAINABLE DEVELOPMENT ORIENTATION IN 2024

MSB will continue to promote research and strengthen cooperation to implement long-term orientations for sustainable development. The Bank is building a medium and long-term sustainable development strategy with specific goals, consistent with Vietnam's adaptation strategy to climate change, compatible with national plans, integrated into business strategy that MSB is pursuing. In the short term, in 2024, MSB focuses on:

- Expand international partnerships and increase mobilization of medium/long-term capital from the international market to support business activities, projects, and customers that meet sustainable development standards in Vietnam; step by step implement national tasks in the process of bringing the country's net emissions to zero by 2050.
- Research, build and develop sustainable development strategies consistent with the overall business strategy, focusing on credit products and other services related to sustainable development criteria and supporting green transition for customers.
- From information and market research, based on internal capacity positioning, MSB will make commitments related to reducing carbon emissions in its loan portfolio (Scope 3) according to a roadmap consistent with national orientation and economic sectors.
- Efforts to implement business tasks to ensure a good and sustainable growth; safe banking operations; risk management according to advanced standards, especially risks related to climate change, environment and society; continue to invest in digitalization; reduce resource-consuming activities; continuously improve and enhance operational efficiency and competitiveness.
- Increase investment in human resources in training, career development opportunities, expand support activities, and take care of the material and spiritual life of all employees and families.
- Continue to implement green transformation in MSB's internal operations, promote propaganda, investment and deploy tools to support green lifestyles at the workplace.
- Maintain close links and ensure cooperative and mutually beneficial dialogue with relevant parties.



SOCIAL ACTIVITIES

Continuing the humanitarian journey that MSB continuously pursued and promoted, in 2023, MSB coordinated with many agencies, organizations... to carry out charity programs, demonstrating social responsibility, towards build a better life for the community, especially people in difficult circumstances.

Specifically, in June 2023, MSB supported VND2 billion to build Huy Giap Secondary School for Ethnic Minorities, Huy Giap Commune, Bao Lac District, Cao Bang Province. Bao Lac is a highland border district of Cao Bang Province, where the terrain is complex and the rate of poor and near-poor households is over 63%. The local education situation therefore also faces many difficulties, especially in terms of facilities and lack of learning equipment. MSB's contributions aim to create a safe, spacious, and effective learning environment for students, nurture the dream of conquering literacy, and joining hands to promote innovation in local education work.

Also in Cao Bang Province, in October 2023, MSB supported the construction of 22 houses for poor and near-poor households in Bao Lam District. In addition to creating a foundation for security and helping the poor have the opportunity to change and improve their lives, this gesture is also a continuation and promotion of the tradition of solidarity and solidarity, responding to the Prime Minister's National Target Program for sustainable poverty reduction for the period 2021 - 2025.

In 2023, MSB awarded hundreds of “great unity” houses to difficult households in Quang Nam and Thanh Hoa Province. These were gifts with humane meaning and sharing that MSB wanted to convey to the locality, to encourage the spirit of people to have more motivation to rise, in accordance with the spirit of the emulation movement "For the poor - Not leaving anyone behind"; at the same time, join hands to actualize the Party and State's policies on hunger eradication and poverty reduction, building and innovating the country.

In addition to accompanying materially unfortunate situations, MSB staff also paid special attention to many other difficult cases, typically cancer patients and patients with blood diseases. Along with promoting the core values of "Humanity" and "Responsibility", people appreciation and a sense of responsibility to the community, MSB called on the staff to actively register to participate in the "Humanitarian Blood Donation Program" in a series of birthday celebration activities with the "New M32" theme. "Every drop of blood to give is to save a life", more than 200 employees felt happy to take practical action to join hands to cherish life.

MSB aims to become a bank that deeply understands the responsibility of businesses in the journey of bringing positive values to the community, joining hands to build a sustainable society. Therefore, in the coming time, MSB will actively implement meaningful volunteer programs, contributing to improving the quality of Vietnamese life and building a more prosperous nation.

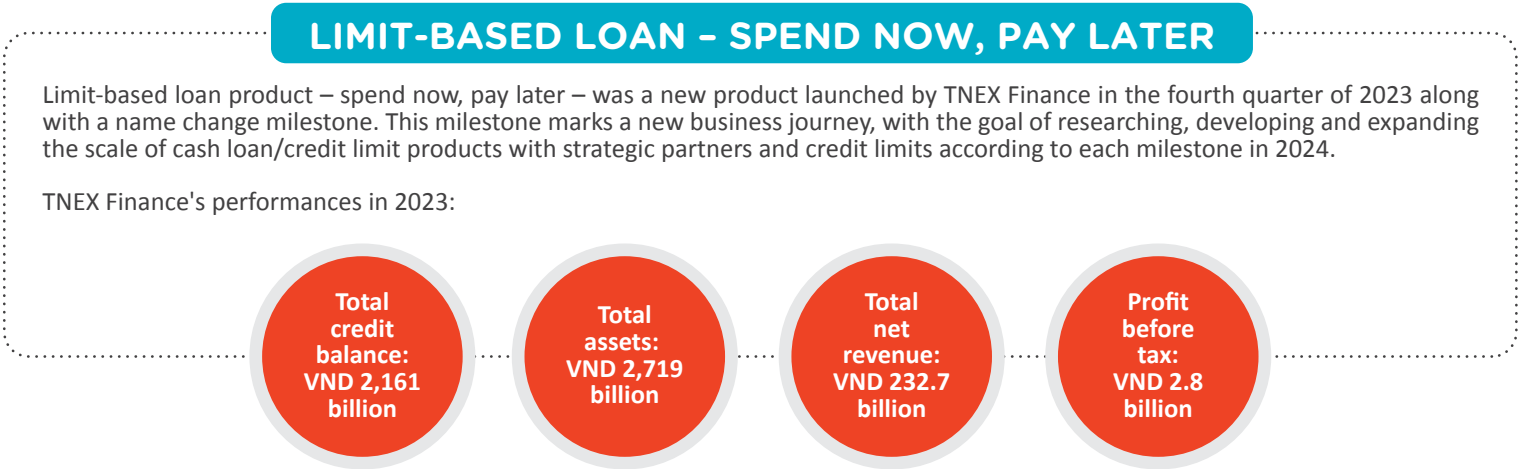
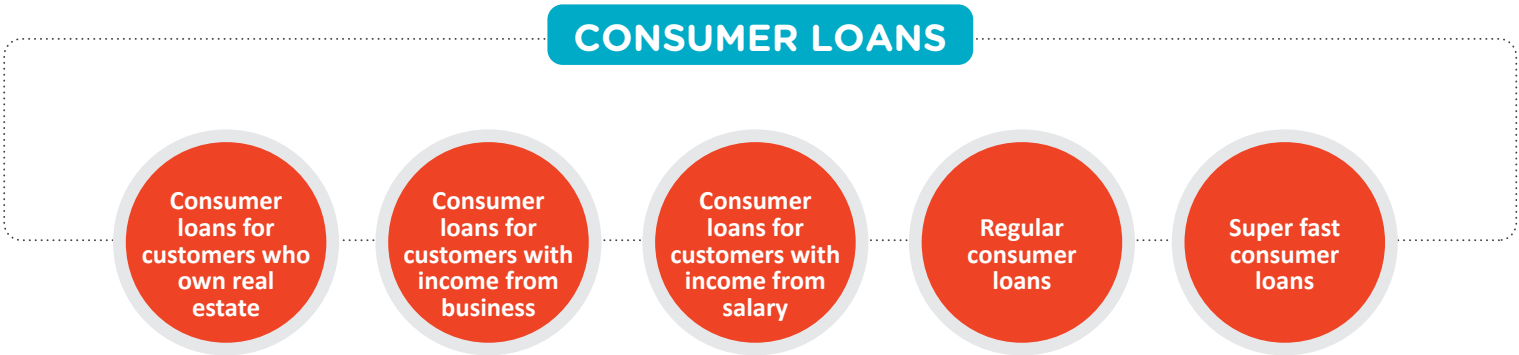


Mr. Nguyen Viet Son, Chief Strategic Customer Officer, gave the “Great Unity” house in Dai Loc District, Quang Nam Province

SUBSIDIARY’S OPERATIONS

FCCOM officially changed its name to TNEX Finance Company Limited (TNEX Finance) in the fourth quarter of 2023. TNEX Finance with the orientation of contributing to the development of the community, providing professional, fast, easy services to consumers and increasingly modernizing with the implementation of cooperation with partners to deploy digital journey. Step by step implementing digital transformation, TNEX Finance hopes to raise its position to a new level, becoming Asia’s leading financial institution, making breakthroughs in products & technology, promoting comprehensive prosperity for the community - society and always being a solid fulcrum and trust for customers.

By 2023, TNEX Finance developed a nationwide network with 21 points of service (POS) in 18 provinces and cities and a total of 291 employees, serving nearly 11,699 customers with main loan product lines:



GOALS AND STRATEGIC ORIENTATION FOR 2024



BUSINESS ENVIRONMENT – OPPORTUNITIES AND CHALLENGES

Global economic growth in 2024 is expected to be lower than in 2023. The OECD forecasts that global economic growth in 2024 will only reach 2.7%, lower than the estimated 2.9% in 2023. International organizations believe that the global economy may have a "soft landing", especially in developed countries, instead of falling into recession as previously feared. Support factors for the global economy mainly come from expectations that the global monetary policy tightening cycle is closing, inflation continues to cool across economies and production activities are gradually passing the bottom. Consumer demand, investment, and job growth in the US are expected to improve from the second half of 2024 when inflation cools, prompting the FED to move quickly and sharply to reduce interest rates. In China, consumer demand forecasts have not improved, exports remain weak, and the real estate market continues to face difficult times.

In a complex geopolitical context, countries tend to increase protection barriers to achieve both economic and non-economic goals. In 2023, there was 26 countries banning or restricting the export of 39 types of important agricultural products and agricultural inputs; OPEC+ reduced crude oil production at a high level. This trend will threaten world food security, energy security and make concerns about permanent inflation.

Domestically, international organizations continue to evaluate Vietnam's economic growth prospects quite positively with forecasts that GDP growth in 2024 could range from 5.5% to 6.3%. The Government sets a growth target of 6% to 6.5% and prioritizes policies and solutions for this task. Some important factors that help make Vietnam's economic outlook in 2024 more optimistic are:

- Support policies issued in 2023 have a certain delay, and are expected to have a clearer impact on the economy in 2024.
- Investment drivers (public investment, foreign investment, private investment), consumption, tourism and export continue to be strongly promoted.
- Internal problems are focused on being resolved and changed more positively, especially problems of businesses, investment projects, real estate market, corporate bond market and banking activities...
- The fact that a number of key and nationally important works and projects with large spillover effects are completed and put into operation will also have a positive impact on economic growth.

To support the 2024 growth target, the Government will continue to implement a proactive, flexible monetary policy, closely coordinated and synchronized with a reasonable and focused expansionary fiscal policy. In addition to the main growth drivers of investment, export and consumption, 3 new growth drivers of the

economy are identified: (1) Strengthen links between regions, nationwide links, domestic and international links; (2) Focus on developing science and technology and innovation for emerging industries and fields such as: chip production, hydrogen, combating climate change, green growth, energy conversion, circular economy; (3) Consolidate traditional markets, while expanding new markets such as the Middle East, Africa and South America.

Potential risks to the economy in 2024 are:

- Unpredictable geopolitical risks will have a strong impact on global prices, investment and trade, deflecting policy and economic forecasts.
- The US presidential election with its chaotic campaign will cause the market to fluctuate strongly.
- China's economic growth is weak, real estate and financial markets are declining, affecting global growth.
- Domestically, policies to support the real estate and corporate bond sectors have not yet been fully effective; capital mobilization continues to be difficult, non-performing loan (NPL) increases, consumer demand declines...



GROWTH STRATEGY

For the 2024-2027 period, MSB is steadfast in its vision of "Becoming a bank which everyone wants to join and no one wants to leave". This vision is built on 4 pillars and 3 core strategic foundations.

4 PILLARS:

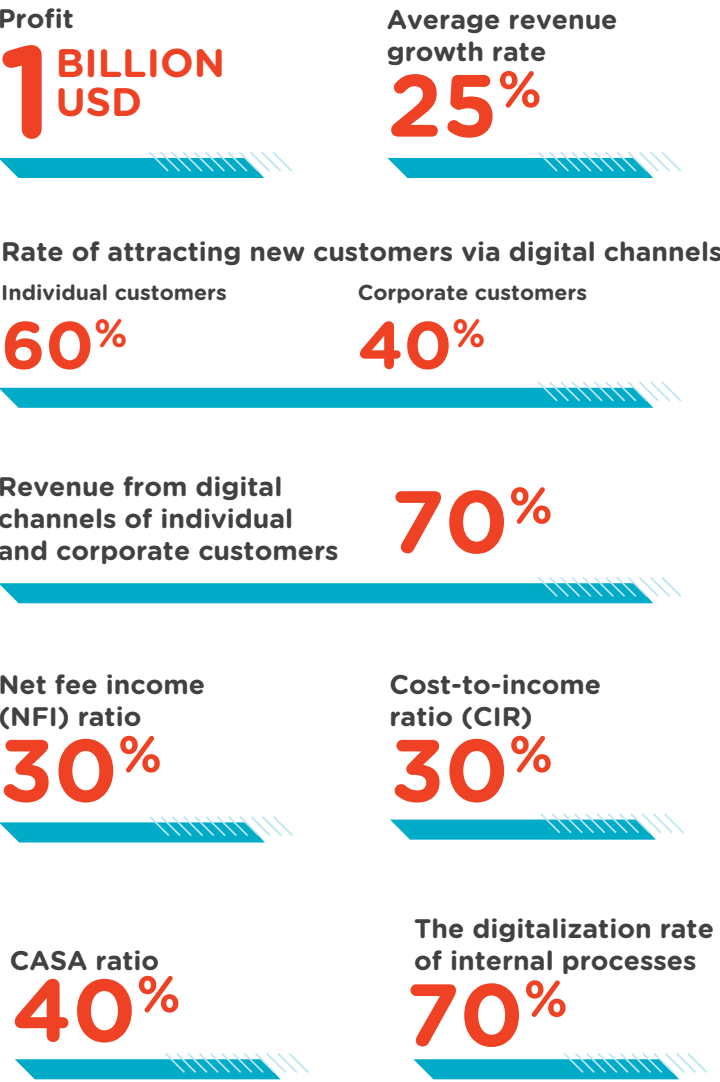
- Positioning distinct customer value: Focus on specific target segments, providing total solutions and detailed consulting to help customers achieve their desires.
- Multi-channel, optimized distribution network: Focus on in-depth development, select key areas to centralize resources to exploit effectively and maximize market potential. The bank is gradually shifting to digital channels to increase customer attraction and experience.
- Effective and stable sales force: Combine to improve the quality of the sales team and apply systems, tools, and digitization.
- Expanding partnerships and ecosystem: Cooperate with partners, build an ecosystem to bring customers a series of outstanding and optimal products - services and incentives, while enhancing connectivity and development potential for MSB and its partners.

3 FOUNDATIONS:

- Digitization, streamlining from a-z and advanced analytics: Streamline the system of policies, documents, and processes; automate text editing; managing data throughout, applying big data analysis in decision making; deploying digitalization according to the "Agile" and "Agile@scale" models^a.
- Risk management: Pioneering standardization according to Basel III; build and develop a reliable decision-making system with an appropriate scoring model; proactive risk management.
- Organization, people and culture: Working environment that understands customers, is creative and highly professional; nurture, engage and reward talent; culture of respect, transparency and efficiency; Promote trust and achievement.

^aAgile: A deployment method to quickly adapt and respond to changes, in which research - testing - application will be conducted in parallel and continuously.
Agile@scale: Agile implementation at scale.

STRATEGIC OBJECTIVES UNTIL 2027: DIGITAL CHANNELS ARE THE MAIN DRIVER FOR GROWTH



FINANCIAL GOALS

Based on the Government's macro orientations and economic trend forecasts, the credit growth rate is expected to reach about 12-13% in 2024. This growth rate is under pressure from the world economy, which still has an unclear ability to return to the growth and breakthrough stage with the domestic real estate market continuing to slowly recover, businesses still have many difficulties to return to the growth rate as before the Covid-19 pandemic. The motivation to increase credit of Vietnamese banks comes from low interest rates supporting loan demand, especially retail credit and small and medium-sized enterprises (SME) groups; the potential to spread banking services to the people is still quite large; the trend of green credit/capital supporting projects with sustainable development elements from abroad towards Vietnam is quite abundant. However, low interest rates as directed by the Government will lead to great competitive pressure among banks, especially in the context of high non-performing loan (NPL) risk, the ability to retain old customers and expand good quality customers being quite challenging. The potential to increase net interest margin (NIM) is relatively limited, and non-performing loan (NPL) risk is still a major concern for credit institutions. Product strategies, exploiting technological capacity, digitalization, promoting sales capacity, personalizing services... are strengths that need banks to focus on investing and exploiting.

MSB's Board of Directors and Board of Management have closely reviewed market fluctuations, forecasting economic scenarios for 2024 and orientation to 2027. With the vision of reaching the Top 5 private joint stock commercial banks in Vietnam and reaching the pre-tax profit milestone of US\$1 billion, focusing on investing in people, risk management, and technology development, digital transformation and the foundations of sustainable development, MSB sets mid-term targets for economic and financial achievements as follows:

	Target	2024-2027 Period
SCALE	Total assets (CAGR)	▲ 10-17%/year
	Capital (CAGR)	▲ 20 - 30%
	CASA ratio	35 - 40%
	Credit growth ⁹	15 - 30%
	% RB & SME credit balance/Total Loans	— >60%
GROWTH	TOI (CAGR)	▲ 20 - 30%
	Revenue from fees	▲ 30%/year
	Banca Revenue (CAGR)	▲ 25 - 30%
	PBT (CAGR)	▲ 20 - 30%
REVENUE AND ASSET QUALITY	ROE	18 - 22%/year
	ROA	2.5 - 2.8%/year
	NPL	<3%
	CAR	>11%

⁹Depending on the credit growth limit granted by the State Bank

On the basis of balancing objective and subjective factors, calculating the bank's internal resources and ability to seize opportunities, the 2024 plan proposed by MSB is quite cautious. Risk management requirements, improving the bank's management quality along with an international vision are MSB's major goals in 2024. The financial plan determined by the bank is as follows, ensuring profit growth and capital efficiency. The plan according to this consolidated number will be presented at the Annual General Meeting of Shareholders scheduled to take place in April 2024:

Unit: billion VND

No.	Target	Implementation 2023	Plan 2024	Plan 2024/ Implementation 2023 comparison
1	Total assets	267,006	280,000	105%
2	Capital mobilized in market I and capital mobilization bonds	141,342	178,900	127%
3	Credit balance (including economic entities and individuals, investment in corporate bonds) ¹⁰	150,671	178,200	118%
4	Non-performing loan (NPL) (Group 3-5)	2%	<3%	
5	Profit before corporate income tax	5,830	6,800	117%
6	Charter capital	20,000	26,000	130%
7	Dividend ratio by issuing shares from accumulated retained profits until December 31, 2023 and after appropriation to funds according to legal regulations (% of par value) ¹¹	30% (*)	15% (**)	50%

¹⁰Depending on the credit growth limit granted by the State Bank.

¹¹(*) According to the Resolution approved by the 2023 Annual General Meeting of Shareholders, MSB will not pay dividends/bonus shares from profits generated in 2022 and accumulated until December 31st, 2022 according to the 2022 audited financial report. With profits generated in 2023 and undistributed profits accumulated until December 31, 2023 according to the 2023 audited financial report, the Board of Directors submits to the General Meeting of Shareholders for approval of dividend distribution at the rate of 30% from undistributed profits as of December 31, 2023 after deducting funds according to legal regulations. This dividend will be implemented in 2024 and increase MSB's charter capital to VND26,000 billion.

(**) With the expected profit generated in 2024 along with the profit retained after completing the increase in charter capital to VND26,000 billion from stock dividends (implemented as (**)), The Board of Directors submits to the General Meeting of Shareholders for approval a dividend distribution plan from the profit source that can be used to pay this dividend at a rate of ≤15% in cash or/and in stocks, at a time depending on the market situation and MSB's business activities. The level of dividend payment depends on the approval of the 2024 General Meeting of Shareholders expected to be held in April 2024.



EVALUATION OF THE BOARD OF DIRECTORS ON BANKING OPERATIONS

EVALUATION OF THE BOARD OF DIRECTORS ON BANKING OPERATIONS

In the context of many difficulties and challenges of the market in 2023, the Board of Directors highly appreciated the tireless efforts of all employees under the close and flexible management of the Chief Executive Officer and the Board of Management, so that MSB could achieve quite positive business results, basically completing a number of goals approved by the General Meeting of Shareholders. The Board of Directors entrusted, specifically as follows:

- Total assets reached over VND267,006 billion, an increase of more than 25% compared to 2022.
- Total operating income reached VND12,259 billion, an increase of 15% compared to 2022.
- Capitalization value as of December 31st, 2023 reached VND26,000 billion, an increase of 4% compared to the end of 2022.

Along with positive business results, MSB's efforts in terms of risk management, products and services... brought MSB the honor of winning a series of awards "Bank of the Year 2023" awarded by the prestigious international financial magazine The Financial Times, Silver Award "Southeast Asia Risk Management" award by the Singapore Academy of Enterprise Risk Management (ERMA) awarded, "Best Bank in Vietnam for small and medium enterprises" from Euromoney magazine...

Continuing the economic development orientation with a focus on integrating sustainable development factors set out from 2022, MSB has made quite strong strides and demonstrated the bank's determination in this inevitable trend. From May 2023, MSB issued internal regulations to apply environmental and social impact assessment for credit requests, ensuring compliance not only with the requirements of domestic regulatory agencies but also with international standards. From June 1st, 2023, 100% of loan applications has had their environmental and social impact assessed during the credit approval stage. MSB was also one of the first banks in the market to issue an independent Sustainable Development Report with an annual report summarizing sustainable development activities in 2023. MSB also signed a Letter of Interest with FMO for a US\$100 million loan to support SME customers and projects that meet green standards. In addition, seminars disseminate information, knowledge, trends, and orientations on sustainable development of Vietnam in general as well as the banking industry in particular with participation from the Board of Directors to the Board of Management and management level was successfully organized and positively evaluated. On that basis, banking operations and governance have been upgraded in terms of compliance, not only according to Vietnamese standards but also according to international standards to ensure MSB's commitments to partners.

ASSESSMENT ON THE BOARD OF MANAGEMENT’S ACTIVITIES

The Chief Executive Officer and members of the Board of Management have demonstrated their flexibility, experience in governance and administration, and the ability to respond and adapt quickly throughout 2023. With many unpredictable domestic and foreign fluctuations, the Chief Executive Officer and the Board of Directors have operated MSB in accordance with the contents of the resolutions of the General Meeting of Shareholders and the direction of the Board of Directors; comply with the Bank's Charter, legal regulations and in accordance with the general market context.

Every month, the Board of Directors and the Bank's Board of Management attend meetings to report and evaluate the business situation of MSB. Through this meeting, the BOD’s resolutions and decisions are reviewed for implementation progress, problems are resolved, and ensure the best completion. In addition, the Board of Management also updates market fluctuations and reports on the activities of the Divisions/Departments/Departments, and at the same time provides action plans for the next period, aiming to complete the set business plan.

In the context of high industry competition, tightening requirements from State management agencies, and increasing demand from customers to receive support to recover from the pandemic, the cooperation process that emphasizes sustainable development factors from foreign partners... The Chief Executive Officer and the Board of Management have also proactively researched and implemented new business strategic directions, investments and digital transformation applications in accordance with trends to improve MSB's operational efficiency; at the same time, apply many flexible, timely and appropriate operating solutions to adapt to complex market developments, complete the assigned 2022 plan goals as best as possible and harmonize the interests of relevant parties.

PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS

Receiving the responsibility assigned by the General Meeting of Shareholders, MSB's Board of Directors has directed the successful implementation of assigned plan targets, specifically:

Unit: billion VND

NO.	Target	Plan 2023	Implementation 2024	Plan 2024/ Implementation 2023 comparison
1	Total assets	230,000	267,006	116%
2	Capital mobilized in market I and capital mobilization bonds	142,000	141,342	99,5%
3	Credit balance (including economic entities and individuals, investment in corporate bonds) ¹²	141,700	150,671	106%
4	Non-performing loan (NPL) (Group 3-5)	<3%	2%	Achieved
5	Profit before corporate income tax (including debt recovery used for provisions)	6,300	5,830	92,5%
6	Remuneration and expenses of the Board of Directors and Board of Supervisors	25.5	20.11	78,9%
7	Charter capital	20,000	20,000	Completed
8	Dividend payment/bonus share ratio ¹³	0%	0%	Completed

Along with financial targets, the Board of Directors also focuses on:

- Research and apply more new business models and methods to improve efficiency for MSB, providing maximum customer support by focusing on 05 main focuses including: understand customers; mining chains and ecosystems; improve sales performance; streamlining and digitalization; big data applications and advanced analytics.
- Improve the efficiency of capital use, ensure the safety of shareholders' capital, evaluate the effectiveness of investment capital and implement solutions to improve the efficiency of capital use, strengthen debt management, and prevent generate new non-performing loans (NPL), ensuring liquidity safety.
- Direct the continued implementation of solutions to improve management quality throughout the system, promote the application of information technology to enhance product - service design and management capacity as well as serve digital transformation, and improve transparency and openness in corporate governance.

¹² Depending on the credit growth limit granted by the State Bank in each period

¹³ Dividends/Bonus shares are expected to be distributed from accumulated profits until December 31st (chữ st nhỏ trên đầu số 31), 2023. In 2023, MSB does not pay dividends/bonus shares from this sources according to the plan approved by the General Meeting of shareholders.

BANK GOVERNANCE

BANK GOVERNANCE SNAPSHOT

In 2023, under the direction and direction of the Board of Directors, MSB continued to comply with regulations on corporate governance according to current law and proactively absorb good governance practices with the goal of promoting Promote and improve MSB's management practices, raise awareness of management staff and all employees about internal management standards. MSB aims to build and become a bank with corporate governance that goes beyond compliance, meets the criteria according to current legal regulations, and applies the best international governance practices with the goal of sustainable development goals.

INVESTOR RELATIONS

With the goal of improving corporate governance standards, ensuring transparency in information disclosure, committing to the best interests of shareholders, and complying with legal regulations, MSB always focused on activities that bring exchange and engage with shareholders and investors in 2023. MSB has complied and disclosed information on the stock market according to Circular No. 96/2020/TT-BTC issued on November 16, 2020 of the Ministry of Finance and other regulations and legal documents related to stocks, bonds, securities issuance, and legal regulations specific to credit institutions. MSB's internal processes are continuously updated in accordance with changes in the law as well as regulations of management agencies (Vietnam Stock Exchange, Ho Chi Minh Stock Exchange, Hanoi Stock Exchange, Vietnam Securities Depository and Clearing Corporation...), of international partners to which MSB has compliance commitments. On that basis, information disclosure activities are always carried out fully and promptly by MSB. The disclosed information is made public, updated to the market through multiple channels with important information (bank websites, information channels of management agencies, mass media...).

According to MSB's internal structure, the shareholder management department - under the Office of the Board of Directors - coordinates closely with the Investor Relations Management Department under the Financial Management Division, as the bridge efficiency between MSB and shareholders, investors, securities companies, and investment funds. All questions from shareholders and investors are effectively discussed and answered quickly with input from the bank's Board of Directors/Board of Management through the Annual General Meeting of Shareholders, investor meetings announcing business results, and investor seminars in domestic and international, communication channels via phone and email (ir@msb.com.vn). This is the bank's official information channel to the investment community to convey information promptly and ensure high rules and standards of corporate governance.

Through investor relations activities and effective communication channels, MSB shares were always among the top banking stocks with the largest trading volume in the market, the number of MSB shareholders increased from 29,057 shareholders as of January 3rd, 2023 to 34,015 as of December 31st, 2023, an increase of 17% with the appearance of big names in the portfolio of professional institutional investors.

In 2024, MSB will continue to ensure compliance with legal regulations on information transparency, improve communication quality, and increase interaction with shareholders and investors. With the legal regulations expected to be amended in 2024 (Law on credit institutions, circulars and decrees related to shares, public companies, listed companies...), MSB will update and completing internal regulations to effectively operate investor relations, reaching international standards, thereby enhancing the bank's position in the market.



BOARD OF DIRECTORS



7

2

6

1

3

5

4

- 1. Mr. TRAN ANH TUAN**
BOD Chairman
He has participated in the management and administration of MSB since 2007 with the following positions: Vice Chairman of the Board of Directors, Chief Executive Officer. From February 2012 to present, he has undertaken as Chairman of MSB's Board of Directors.
- 2. Mr. NGUYEN HOANG AN**
BOD Vice Chairman
He joined MSB in 1991 and held positions such as: Head of Credit Department, Thanh Xuan Branch Director, Hanoi Branch Director, Deputy Chief Executive Officer. From May 2018 to present, he has taken charge of Vice Chairman of Board of Directors.
- 3. Ms. NGUYEN THI THIEN HUONG**
BOD Vice Chairman
She has many years of experience in the banking industry. From 1995 to 2016, she worked at Techcombank and held many different positions such as: Head of Project and Securities Investment Department, Head of Credit Department, Deputy Chief Executive Officer and Permanent Member of the Risk Audit Committee. From May 2018 to present, she has held the position of Vice Chairwoman of MSB's Board of Directors.
- 4. Mr. TRAN XUAN QUANG**
BOD Member
He joined MSB in 1993 and held positions such as: Director of Transaction Center, Deputy Chief Executive Officer in charge of Corporate Customers & Individual Customers; Deputy Chief Executive Officer and Chief Executive Officer of Corporate Banking Division; Deputy Chief Executive Officer and Director of Strategic Management Division... From April 2016 to present, he has taken charge of Vice Chairman of Board of Directors.
- 5. Mr. NGUYEN HOANG LINH**
BOD Member cum Chief Executive Officer
Mr. Nguyen Hoang Linh has more than 26 years of experience in the field of banking and finance and held many important positions at various banks in Vietnam such as: BOD Member, Chief Executive Officer at PVCombank, Chief Executive Officer at Western Bank, Acting Chief Executive Officer at VietABank... At MSB, he has spent more than 20 years working with many responsibilities such as: Director of MSB Ho Chi Minh, Deputy Chief Executive Officer cum Chief Executive Officer of Corporate Banking Division, Deputy Chief Executive Officer cum Director of Strategy Division, Deputy Chief Executive Officer cum Chief Executive Officer of Retail Banking Division. Since March 2020, he was appointed to the position of Chief Executive Officer. Since September 2020, he was elected as a member of the MSB's Board of Directors.
- 6. Ms. LE THI LIEN**
BOD Member
From 2007 to 2012, she was the Chairwoman of the Board of Directors (term IV) of Vietnam Maritime Commercial Joint Stock Bank, cum representative of VNPT's capital at MSB and Head of Investment and Capital Management Department, Vietnam Posts and Telecommunications Group. From 2012 to 2017, she held positions such as Head of Investment and Capital Management Department, Deputy Head of Finance - Strategy Department of Vietnam Posts and Telecommunications Group. From May 2018 to April 2022, she was an independent member of MSB's Board of Directors. From April 2022 to present, she has been responsible as a Member of MSB's Board of Directors.
- 7. Mr. TA NGOC DA**
Independent BOD member
He joined MSB in 2010 and held positions such as Deputy Chief Executive Officer cum Director of Ho Chi Minh Centralized Credit Processing Center; Deputy Chief Executive Officer cum Director of Credit Approval Division, Deputy Chief Executive Officer cum Director of Risk Management Division, Deputy Chief Executive Officer in charge of operations. From April 2022 to present, he has held the position of independent member of MSB's Board of Directors.

SHARE OWNERSHIP RATIO OF BOD MEMBERS

No.	Full name	Position	Number of shares	Ownership ratio (*)	Title Positions held by members of the Board of Directors at other enterprises
1	Mr. Tran Anh Tuan	Chairman	16,847,125	0.842%	None
2	Ms. Nguyen Thi Thien Huong	Vice Chairman	92,274	0.005%	None
3	Mr. Nguyen Hoang An	Vice Chairman	338,676	0.017%	None
4	Mr. Tran Xuan Quang	Member	255,528	0.013%	<ul style="list-style-type: none">• Vice Chairman/Chief Executive Officer at TNG Holdings Vietnam Investment Joint Stock Company• Chairman at Family Mart Vietnam Joint Stock Company• Chairman at TNS Holdings Trading and Services Joint Stock Company
5	Mr. Nguyen Hoang Linh	Member cum Chief Executive Officer	378,560	0.019%	BOD Member at TNEX Finance Company Limited (TNEX Finance)
6	Ms. Le Thi Lien	Member	636,961	0.032%	Chairman at ROX Asset Joint Stock Company
7	Mr. Ta Ngoc Da	Independent member	113,568	0.006%	<ul style="list-style-type: none">• Deputy Chief Executive Officer at Southern TNG Holdings Vietnam Investment Joint Stock Company• Chairman at Smart Solutions Information Technology Company Limited• Chairman at Intelligent System Information Technology Company Limited• BOD Member at TNG Realty Joint Stock Company

(*) Calculated on total charter capital of VND20,000 billion

COMMITTEES/COUNCILS UNDER THE BOARD OF DIRECTORS

• Risk Management Committee

Composition	Position
Mr. Tran Xuan Quang, BOD Member	Chairman
Mr. Ta Ngoc Da, Independent BOD Member	Voting Member
Ms. Le Thi Lien, BOD Member	Voting Member
Mr. Nguyen Hoang Linh, BOD Member/Chief Executive Officer	Voting Member
Mr. Do Thanh Cong	Voting Member
Mr. Ha Duyen Tien	Voting Member
Ms. Nguyen Thi Thu Hang, Chief Financial Officer	Non-Voting Member

• Strategy Committee

Composition	Position
Mr. Tran Anh Tuan, BOD Chairman	Chairman
Mr. Tran Xuan Quang, BOD Member	Standing Vice Chairman
Mr. Nguyen Hoang Linh, BOD Member/Chief Executive Officer	Vice Chairman
Mr. Vo Tan Long	Vice Chairman
Ms. Dinh Thi To Uyen, Deputy CEO/Head of Strategy Division	Member
Ms. Le Cam Thuy, Chief Risk Officer	Member

• Human Resources Committee

Composition	Position
Mr. Tran Anh Tuan, BOD Chairman	Chairman
Ms. Nguyen Thi Bich Huyen	Standing Vice Chairman
Mr. Tran Xuan Quang, BOD Member	Member
Ms. Le Thi Lien, BOD Member	Member
Mr. Nguyen Hoang Linh, BOD Member/Chief Executive Officer	Member
Mr. Nguyen Ngoc Cuong, Chief Human Resources Officer	Member

• Technology Committee

Composition	Position
Mr. Vo Tan Long	Chairman
Mr. Tran Xuan Quang, BOD Member	Member
Mr. Ta Ngoc Da, Independent BOD Member	Member
Mr. Nguyen Hoang Linh, BOD Member/Chief Executive Officer	Member
Mr. Nguyen Quoc Khanh, Chief Technology Officer	Member
Ms. Dinh Thi To Uyen, Deputy CEO/Head of Strategy Division	Member
Ms. Nguyen Thi Thu Hang, Head of Financial Management Division	Member
Ms. Nguyen Ha Thanh, Chief Operating Officer	Member
Mr. Le Minh Loan, Cyber Security Expert	Member
CEO of Specialized Banks and Director of Division/Department	Member

• Risk Settlement Council

Composition	Position
Ms. Le Thi Lien, BOD Member	Chairman
Mr. Nguyen Hoang Linh, BOD Member/Chief Executive Officer	Vice Chairman
Ms. Nguyen Thi Thien Huong, BOD Vice Chairwoman	Voting Member
Ms. Le Cam Thuy, Chief Risk Officer	Voting Member
Ms. Nguyen Thi Thu Hang, Head of Financial Management Division	Voting Member
Mr. Do Thanh Cong	Voting Member
Mr. Ha Duyen Tien	Voting Member
CEO of Specialized Banks or Director of Division/Department	Non-Voting Member
Director of Credit Risk Management in Specialized Banks, Risk Management Division	Non-Voting Member

• Sustainable Development Committee

Composition	Position
Ms. Nguyen Thi Thien Huong, BOD Vice Chairwoman	Chairman
Mr. Nguyen Hoang Linh, BOD Member, Chief Executive Officer at MSB	Vice Chairman
Ms. Nguyen Huong Loan, Deputy CEO/Chief Executive Officer of Financial Institution Banking Division	Member
Ms. Nguyen Thi Thu Hang, Head of Financial Management Division	Member
Ms. Dinh Thi To Uyen, Deputy CEO/Head of Strategy Division	Member
Ms. Le Cam Thuy, Chief Risk Officer	Member
CEO of Specialized Banks or Director of Division/Department in charge of directly managing customers	Member

BOD’S ACTIVITIES

BOD’s meetings in 2023:

No.	BOD Member	Number of meetings attended by the BOD	Attendance rate	Reason for non-attendance
1	Mr. Tran Anh Tuan	04	100%	
2	Mr. Nguyen Hoang An	04	100%	
3	Ms. Nguyen Thi Thien Huong	04	100%	
4	Mr. Nguyen Hoang Linh	04	100%	
5	Mr. Tran Xuan Quang	04	100%	
6	Ms. Le Thi Lien	04	100%	
7	Mr. Ta Ngoc Da	04	100%	

BOD’S SUPERVISORY ACTIVITIES FOR THE CHIEF EXECUTIVE OFFICER/BOARD OF MANAGEMENT

The Board of Directors inspects, supervises and directs the Chief Executive Officer to perform assigned tasks and implement resolutions of the General Meeting of Shareholders and the Board of Directors. The Board of Directors supervises the Chief Executive Officer's executive activities through the internal document system issued by the Board of Directors; Participate in monthly executive meetings with the Executive Board to promptly provide guidance on the Chief Executive Officer's operating activities. The Board of Directors periodically evaluates the implementation of Resolutions of the General Meeting of Shareholders and the Board of Directors and annually evaluates the performance of the Chief Executive Officer.

ACTIVITIES OF SUBCOMMITTEES UNDER THE BOARD OF DIRECTORS:

According to the authorization assignment, the Committees assisting the Board of Directors resolved tasks in 2023 specifically as follows:

• Risk Management Committee (RMC):

In 2023, the Risk Management Committee held 13 online meetings, and approved 05 proposals asking for comments via email, closely following the functions/tasks assigned by the Board of Directors. At the meetings, the Committee focused on discussing reports/topics, and at the same time considered proposals to provide advice and recommendations to the Board of Directors and Chief Executive Officer, specifically: Approved 12 periodic risk portfolio reports, 03 compliance monitoring reports, discussed 09 topics/reports on risk management, advised and recommended to the Board of Directors 15 proposals to the Board of Directors, reviewed and recommended 06 proposals to the General Director, and gave 11 action directions related to the field of risk management.

• Strategy Committee (SC):

In 2023, the SC conducted 04 face-to-face meetings with key topics including: Meeting No. 1 (February 2023): The Strategy Division reports implementation plans for key projects in the 2023-2027 period, Meeting No. 2 (April 2023): Digital Transformation Division reports detailed activities and implementation results of digital transformation projects, Meeting No. 3 (June 2023): The Strategy Division reports project management indicators for strategic transformation of business reviews (QBR) - objectives & key results (OKR), Meeting No. 4 (August 2023): Report progress of projects to improve sales force capacity, report OKR - QBR indicators.

Also in 2023, the SC periodically updated the Report on management measurement of MSB's key strategic indicators to help the SC members grasp the overall and detailed picture of MSB's strategy in the 2023-2027 journey.

With the role of advising and recommending to the Board of Directors on strategic orientation and actions to be taken for successful strategic transformation, the SC has directed operational units to closely monitor product-wide transformation programs and guide ways to improve operating models to meet rapid changes in customers, markets and the economy.

• Human Resources Committee (HRC):

In 2023, the Human Resources Committee processed more than 110 documents and advised the Board of Directors and Chairman of the Board of Directors on issues related to MSB's organizational structure, personnel policies, and personnel arrangement to suit the business context and optimize resources for the organization; at the same time, carried out personnel procedures related to management positions and statutory titles under the authority of the Board of Directors, Chairman of the Board of Directors and other tasks assigned by the Chairman of the Board of Directors. In addition, the Human Resources Committee organized regular meetings to discuss and agree on issues of human resources strategy that affect the entire system such as capacity development for senior leaders, digital HR, implementation implementing a contracting mechanism, improving digital transformation capacity for strategic projects, evaluating labor productivity of the sales force...

• Technology Committee (TC):

In 2023, the TC organized 04 meetings:

The first quarter meeting took place on March 31st, 2023. Main contents included: Results of implementing meeting conclusions in the first quarter of 2023; technological capacity, initiative implementation progress and actual application situation; technology service quality in the first quarter of 2023; quick assessment of new technology trends and actual application situation at MSB.

The second quarter meeting took place on June 30th, 2023. At this meeting, the TC focused on the following contents: Preliminary report on the implementation of strategic initiatives; indicators showing the health of technology services in the quarter according to advice from

MCKinsey; updated more about recent technology trends in the market and main impacts on MSB such as Decree 13 on personal data protection, amended Electronic Transactions Law effective from July 1st, 2024.

The third quarter meeting was taken place on October 10th, 2023. At the meeting, the TC focused on the following contents: Results of implementing the meeting conclusions in the second quarter of 2023; update capacity changes according to the enterprise architecture (EA) framework; service quality and progress in implementing the technology service health initiative in the third quarter of 2023.

The fourth quarter meeting was taken place on January 5th, 2024. Report content included: Status of work in the previous session; capacity changes according to the enterprise architecture framework; current state of technology health index; progress of implementing technology projects and change MSB’s programs; results of implementing the 2023 technology plan; opinions on the 2024 technology plan; key projects proposed for implementation in 2024.

• **Sustainable Development Committee (SDC):**

In 2023, the Sustainable Development Committee organized 3 meetings with the goal of communicating about the role of banks in the global sustainable development trend, updating practical sustainable development activities domestically and internationally, especially the sustainable development trend of the banking industry. On that basis, the Sustainable Development Committee also provides short, medium and long-term strategic directions for MSB and sets out appropriate action, training and communication plans. Through regular meetings, MSB's Divisions/Departments report progress on implementing sustainable development activities to the Committee, and jointly resolve problems and difficulties, especially activities related to capital mobilization under capital funding programs with sustainable development criteria, meeting commitments according to international standards when receiving loans under green financing programs, building "green" loan products.

MSB has committed to accompanying the Vietnamese Government when signing a Memorandum of Understanding with the Department of Climate Change under Ministry of Natural Resources and Environment in implementing the commitment to bring the country to net zero carbon emissions by 2050. Therefore, the SDC has the role of advising the Board of Directors, the Chief Executive Officer and the Board of Management in the process of integrating sustainable factors (Environment - Society - Governance) into the bank's operations, building an overall strategy that considers sustainable development factors, ensure MSB’s commitment to partners and stakeholders, and become a pioneer in sustainable development activities.

In early December 2023, MSB's Sustainable Development Committee had representatives attending the 28th Conference of the Parties to the United Nations Framework Convention on Climate Change in Dubai, the United Arab Emirates and the Vietnamese Government and the Ministry of Natural Resources and Environment. This participation demonstrates the bank's high level of commitment in accompanying Vietnam in the process of green transition, combating climate change and determination to achieve the goal of net zero carbon emissions by 2050 as set out by the Prime Minister at COP26.

Training on bank governance

With the spirit of "Learning in A Different Way", in 2023, MSB built the M-share learning culture project. The project is implemented with many different methods, especially the "Elite Mentoring" program is designed in a new format with the participation of the senior leadership team. The program not only stops at training and sharing knowledge for internal personnel, but also connects and preserves talent for MSB, creating a "dominant gene set" that is stored and inherited through generations. In addition, understanding the need for strong digital transformation in the banking and finance sector, MSB focuses on improving digital transformation capacity for senior leaders through diverse training forms such as mentoring 1 -1 with a team of experts, organize seminars on different topics or nominate staff to participate in specific training programs in Vietnam and abroad... to improve management capacity in the new context. Along with promoting training programs for each specialized segment such as M-Leader, M-Manager or Talent Pool, the establishment of MSB Academy is also an important mark showing the Board of Directors' attention to the strategy of training and developing human resources in general.

BOARD OF SUPERVISORS



Ms. CHU THI DAM
Member of Board of Supervisors

Ms. Chu Thi Dam has 28 years of experience in the banking and finance industry. She joined MSB in September 2008 and held the position of Head of Internal Audit Department. From February 2012 to present, she has undertaken a member of MSB’s Board of Supervisors.

Ms. PHAM THI THANH
Head of Board of Supervisors

Ms. Pham Thi Thanh has held many important positions such as: Deputy Director at the State Bank - Ha Tay Branch; Deputy Director of the General Supervision Department of the State Bank of Vietnam, BOD Member cum BOS Chairwomen at Vietnam Bank for Social Policies. She joined the MSB in April 2009 as a member of the Board of Supervisors. From September 2009 until now, she has held the position of Chairwomen of Board of Supervisors.

Ms. LE THANH HA
Member of Board of Supervisors

Ms. Le Thanh Ha joined MSB in 1991 and held leadership positions in departments such as Accounting, Customer Service, Capital Management, Investment and Foreign Currency Trading - Financial Market Division, Financial Institution Banking. From February 2012 to present, she has been in charge of a member of MSB’s Board of Supervisors.

LIST OF BOS’S OWNERSHIP RATIOS OF VOTING SHARES AND OTHER SECURITIES

• List of voting share ownership ratios

No.	Full name	Gender	Position	Number of voting shares held	Ownership ratio
1	Pham Thi Thanh	Female	Head of BOS	235,254	0.011847%
2	Chu Thi Dam	Female	Specialized member	141,960	0.007148%
3	Le Thanh Ha	Female	Specialized member	238,635	0.012017%

• List of ownership ratios of other securities

No.	Full name	Gender	Position	Other stock symbols	Number of voting shares held	Ownership ratio
1	Ms. Pham Thi Thanh	Female	Head of Board of Supervisors	ACB	0	%
				PGB	0	%
				TN1	637	0.001281%
				TNC	0	%
2	Ms. Chu Thi Dam	Female	Specialized member	MBB	4,140	0.000095%
				SSI	0	%
				TCB	7,315	0.000208%
				TN1	489	0.000984%
				TPB	2,783	0.000126%
				TNC	0	%
				VND	5,000	0.000411%
				VPB	8,398	0.000138%
3	Ms. Le Thanh Ha	Female	Specialized member	ABB	20,130	0.0019%
				BLI	40	0.000000%
				HIG	73	0.000000%
				LPB	0	%
				MBB	3,243	0.000062%
				POT	96	0.000000%

No.	Full name	Gender	Position	Other stock symbols	Number of voting shares held	Ownership ratio
3	Ms. Le Thanh Ha	Female	Specialized member	TN1	1,064	0.0021%
				VIE	2,000	0.039%
				TNC	0	%
				SHB	2,000	0.00005%

BOS’s Activities

In 2023, the Board of Supervisors held 05 meetings, including a meeting to elect the Head of the Board of Supervisors for term VII (2022-2026). The main content of the meetings was to update MSB's business operations, key resolutions issued by the Board of Directors, directions and regulations of the State Bank for the operations of credit institutions in general and for MSB specifically,...; from there, agree on the tasks that need attention in the process of monitoring business activities, directing internal audit work to closely follow the requirements of the State Bank; remote monitoring and direct audit of the bank's key business activities; report to the Board of Directors and Chief Executive Officer on a number of activities that still have potential risks to have solutions to correct and improve quality, ensuring that MSB operates safely, effectively, and in compliance with the law.

All meetings achieved consensus and consensus of all members of the Board of Supervisors, which is a premise for the Board of Supervisors to successfully complete its work according to regulations, contributing to the stable and sustainable development of the bank.



BOARD OF MANAGEMENT

Mr. NGUYEN HOANG LINH

Chief Executive Officer, BOD Member



Mr. Nguyen Hoang Linh has more than 26 years of experience in the field of banking and finance and held many important positions at various banks in Vietnam such as: BOD Member, Chief Executive Officer at PVCombank, Chief Executive Officer at Western Bank, Acting Chief Executive Officer at VietABank,... At MSB, he has spent more than 20 years working with many responsibilities such as: Director of MSB Ho Chi Minh, Deputy Chief Executive Officer cum Chief Executive Officer of Corporate Banking Division, Deputy Chief Executive Officer cum Director of Strategy Division, Deputy Chief Executive Officer cum Chief Executive Officer of Retail Banking Division. Since March 2020, he was appointed to the position of Chief Executive Officer. Since September 2020, he was elected as a member of the MSB's Board of Directors. Since March 1st, 2023, Mr. Nguyen Hoang Linh has been directly in charge of the "Digital Factory" project and MSB's digital transformation activities.

Mr. NGUYEN PHI HUNG

Deputy Chief Executive Officer



With more than 20 years of experience in the banking and finance sector, Mr. Nguyen Phi Hung has held senior leadership positions at domestic and foreign credit institutions such as Citibank Hanoi, Global Petroleum Commercial Joint Stock Bank, Petrolimex Group Commercial Joint Stock Bank... He has more than 7 years working at MSB as Deputy Chief Executive Officer - Director of Operations Division. Since October 30th, 2023, Mr. Nguyen Phi Hung was appointed to the position of Deputy Chief Executive Officer at MSB.

Mr. NGUYEN THE MINH

Deputy Chief Executive Officer,
CEO of Corporate Banking



Mr. Nguyen The Minh has 26 years of experience in the field of Finance - Banking and has held many important positions at prestigious banks such as: Director of MME Division, Northern Director - HSBC Vietnam; Senior Director of Business Sector & Financial Projects - Calyon Vietnam... Since April 2015, he has held the position of Deputy Chief Executive Officer and Chief Executive Officer of Large Corporate Banking Division at MSB. In January 2019, he held the position of Deputy Chief Executive Officer and Chief Executive Officer of Corporate Banking.

Ms. NGUYEN HUONG LOAN

Deputy Chief Executive Officer,
CEO of Financial Institution Banking



Ms. Nguyen Huong Loan joined MSB in 2009 as Deputy Chief Executive Officer and Director of Capital Resources. Previously, Ms. Loan held senior leadership positions at credit institutions such as Techcombank and PG Bank. Currently, Ms. Loan holds the position of MSB's Deputy Chief Executive Officer and Chief Executive Officer of Financial Institution Banking Division. She was assigned to be in charge of all business activities with financial institutions, including relationship management and providing products and services for customers of financial institutions, insurance companies, securities companies, fund management companies and public financial institutions.

Ms. DINH THI TO UYEN

Deputy Chief Executive Officer,
Head of Strategy Division



Ms. Dinh Thi To Uyen has 26 years of experience in the field of Marketing & Communications. Ms. Uyen held many senior positions at domestic and foreign international organizations such as: Techcombank Marketing & Brand Director; Director of Marketing & Business Development at British Petroleum; Head of Marketing Department at Shell Gas Vietnam... Since May 2015, she joined MSB and held the position of Director of Marketing & Communications. From February 2020, she appointed to the position of MSB's Chief Strategy Officer. From April 2022, she has held the position of Deputy Chief Executive Officer cum Head of Strategy Division.

Ms. NGUYEN THI MY HANH

Deputy Chief Executive Officer,
CEO of Retail Banking



Ms. Nguyen Thi My Hanh has 22 years of experience in the banking and finance industry, including 17 years working at MSB. In that time, she takes responsible for many different management positions such as: Director of Sales and Distribution Channel Center; Director of Business Development Management Center; Director of Region 1, in charge of the Capital Mobilization Department. In addition, Ms. Hanh used to hold the position of Deputy Director of Business Development Center - VietinBank Retail Division. From January 2020, Ms. Hanh was appointed Deputy Chief Executive Officer of Retail Banking Division. From December 2020 until now, she has held the position of Chief Executive Officer of Retail Banking Division. From April 2022, she has held the position of Deputy Chief Executive Officer cum Chief Executive Officer of Retail Banking Division.

Ms. LE CAM THUY

Chief Risk Officer



Ms. Le Cam Thuy has more than 15 years of experience in the banking and finance industry, including more than 12 years working at MSB and hold many important management positions such as: Risk Model and Tool Analysis Management Manager and Director of Risk Management Department at SHB. With experience and understanding of MSB's risk management system, Ms. Thuy was appointed to the position of Chief Risk Officer from March, 2022.

Ms. NGUYEN HA THANH

Chief Operating Officer



Ms. Nguyen Ha Thanh has 28 years of experience working at many financial and banking institutions in Vietnam and has held important positions such as: Deputy Director of Operations - Techcombank; Deputy Chief Executive Officer cum Director of Operations - Morgan Stanley Gateway Securities (MSGS); Deputy Chief Executive Officer, Director of Operations - International Royal Securities (IRS); Director of Credit Risk Management Services - Citibank... From the end of December 2020 until now, she joined MSB and has hold the position of Chief Operating Officer.

Ms. LAI THANH MAI

Head of Legal and Compliance Division



Ms. Mai has 27 years of experience in the field of legal consulting - compliance in banking operation. She joined MSB in 1997 and held many important positions at MSB such as: Head of Legal Department, Head of BOD's Secretariat, Director of Legal and Compliance Monitoring Department. From January 2019, she was appointed to the position of Head of Legal and Compliance Division.

Mr. NGUYEN NGOC CUONG

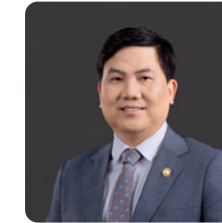
Chief Human Resource Officer



Mr. Nguyen Ngoc Cuong joined MSB in 2007 and held management positions from 2009 to 2012 such as: Director of Human Resources Management, Head of Talent Development Strategy Department, Deputy Head of Salary and Welfare Department. Since 2012, he has worked at M-Talent with the position of Director of Human Resources Strategy Center and was appointed Deputy Chief Executive Officer since 2015. From January 2020, he has taken responsible for MSB's Chief Human Resource Officer.

Mr. BUI DUC QUANG

CEO of Credit Management Banking



Mr. Bui Duc Quang has more than 23 years of experience in the legal field, including 09 years working in the banking industry. Previously, he held the position of Director of Individual Customer Debt Handling - Vietnam International Commercial Joint Stock Bank (VIB); Director of Litigation, Member of Advisory Council - TNG Group. At MSB, he held the position of Director of Litigation Management and Debt Sales, Deputy Director of Credit Management Division, Chairman of MSB AMC and held the position of Acting Director of Credit Management Division since January 2020. From July 2020, Mr. Quang was appointed to the position of Chief Executive Officer of Credit Management Banking.

Mr. NGUYEN VIET SON

Head of Strategic Corporate Division



Mr. Nguyen Viet Son has many years of experience in the field of banking and finance and in charge of manager at various credit institutions such as: Deputy Head of Credit & Investment Department - Vietnam Export-Import Commercial Joint Stock Bank; Director of Hai Duong Branch, Director of Region 1 - Vietnam Maritime Commercial Joint Stock Bank; Deputy Chief Executive Officer - Saigon - Hanoi Commercial Joint Stock Bank (Laos Branch). From December 2022, he officially returned and has taken on the position of Head of Strategic Corporate Division at MSB.

Mr. NGUYEN QUOC KHANH

Chief Technology Officer



Mr. Khanh has 24 years working in the field of information technology in Vietnam and abroad, with nearly 16 years holding senior leadership positions such as: Deputy Director of Information Technology Center - Vietcombank, Deputy Chief Executive Officer, Chief Information Officer - PVCombank, Deputy Chief Executive Officer in charge of information technology - Petro Vietnam Finance Joint Stock Corporation (PVFC), Technical Director - FPT Software Company... In particular, Mr. Khanh has held the position of Chief Technology Officer at MSB since May 2009 to October 2013 with many important contributions. From April 2020, he officially returned and assumed the position of Chief Technology Officer at MSB.

Ms. NGUYEN THI THU HANG

Head of Financial Management Division



Ms. Nguyen Thi Thu Hang has 23 years working at MSB and has held senior leadership positions in financial management such as: Deputy Director of Financial Management Division, Director of Financial Management Center, Head of Finance Department, and Head of Budget Planning Department. With experience and understanding of MSB's financial system, from April 2020, Ms. Hang was appointed to the position of Head of Financial Management Division.

Mr. DUONG NGOC DUNG

Chief Marketing Officer



Mr. Duong Ngoc Dung has more than 22 years of experience in the field of marketing, communications and branding. He has held many important positions at prestigious banks and financial institutions in Vietnam such as: Director of Marketing and Communications - Hong Leong Bank Vietnam, Director of Marketing and Communications International Bank (VIB), Director of PR and Marketing - Ban Viet Bank and Ban Viet Securities Company, Director of Marketing and Business development - Sao Bac Dau Joint Stock Company. From February 2020, he joined MSB and held the position of Chief Marketing Officer.

Ms. NGUYEN THU TRANG

Head of Office and Internal Services Division



Ms. Nguyen Thu Trang has more than 16 years working at MSB and has held many senior leadership positions such as Permanent Vice Chairman of the Human Resources Committee, Director of Human Resources, Chief of Office... Since June 2023, she was appointed to the position of Head of MSB's Office and Internal Services Division.

INFORMATION ON PERSONNEL CHANGES OF THE BOARD OF MANAGEMENT IN 2023

On June 1st, 2023, MSB appointed Ms. Nguyen Thu Trang to Head of Office and Internal Services Division with the goal of further improving the quality of support services and satisfaction levels of internal customers throughout the system, contributing to better support for MSB's business operations.

On October 30th, 2023, MSB appointed Mr. Nguyen Phi Hung as Deputy Chief Executive Officer. The appointment aims to strengthen the leadership apparatus, meet the requirements of scale growth and strategic development orientation of the bank.

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

COMPENSATION, REMUNERATION AND BENEFITS

Remuneration of the Board of Directors, Board of Supervisors and Chief Executive Officer was implemented in accordance with MSB's salary regulations and the Approval Resolution of the 2023 Annual General Meeting of Shareholders.

Details of compensations, remunerations and benefits of the Board of Directors, Board of Supervisors and Chief Executive Officer were listed in note number 44 - "Transactions with related parties" on page 58 of the 2023 Audited Consolidated Financial Statements.

STOCK TRANSACTIONS BY INSIDERS

Details of stock transactions by insiders were listed in Appendix 07, Transactions by insiders and related persons for MSB shares, in MSB's 2023 Corporate Governance Report.¹⁴

CONTRACTS OR TRANSACTIONS WITH INSIDERS

Details of contracts or transactions with internal persons were listed in Appendix 03, Transactions between MSB and MSB's relevant persons; or between MSB and major shareholders, insiders, related persons of insiders, in the 2023 Corporate Governance Report.¹⁵

IMPLEMENTATION OF CORPORATE GOVERNANCE REGULATIONS

MSB has fully complied with legal regulations on corporate governance.

^{14 15} Detailed report at: https://www.msb.com.vn/documents/20121/2148328/20240130-MSB-CBTT+Bao+cao+quan+tri+ngan+hong+2023_ban+hide+thong+tin+ca+nhan.pdf/19072c53-1c8c-780f-d4a0-65973eb8067b?t=1706608018989



Vietnam Maritime Commercial Joint Stock Bank

Consolidated financial statements For the year ended 31 December 2023

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 08 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 26th amended Business Registration dated 13 January 2023.

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 2023, the Bank has one (01) Head Office, sixty-two (62) branches, two hundred and one (201) transaction offices nationwide (as at 31 December 2022, 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	Member
Mr. Ta Ngoc Da	Independent Member

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 Mr. Nguyen Phi Hung	Chief Executive Officer Deputy Chief Executive Officer (Appointed on 30 October 2023)
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
Ms. Dinh Thi To Uyen	Deputy Chief Executive Officer - Head of Strategy Division
Mr. Bui Duc Quang Ms. Nguyen Thi Thu Hang Mr. Nguyen Quoc Khanh Mr. Nguyen Ngoc Cuong Ms. Lai Thanh Mai Mr. Duong Ngoc Dung Ms. Nguyen Ha Thanh Mr. Samuel Anthony Dotro	Head of Credit Management Banking Division Head of Financial Management Chief Technology Officer Chief Human Resources Officer Head of Legal and Compliance Division Chief Marketing Officer Chief Operating Officer Head of Digital Transformation Division (Disappointed on 01 March 2023)
Ms. Le Cam Thuy Mr. Nguyen Viet Son Ms. Nguyen Thu Trang	Chief Risk Officer Head of Strategic Corporate Banking Division Head of Office and Internal Services Division (Appointed on 01 June 2023)

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 2023 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 2023, 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

Hanoi, Vietnam
28 March 2024

INDEPENDENT AUDITORS’ REPORT

Reference: 12801180/66982110-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 28 March 2024 and set out on pages 95 to 149, which comprise the consolidated statement of financial position as at 31 December 2023, 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 2023, 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. 0763-2024-004-1

Hanoi, Vietnam
28 March 2024

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

	Notes	31 December 2023 VND million	31 December 2022 VND million
ASSETS			
Cash, gold and gemstones	5	939,629	1,393,551
Balances with the State Bank of Vietnam (“SBV”)	6	4,589,199	3,689,730
Due from banks	7	61,149,694	39,243,600
Placements with other credit institutions (“CIs”)		51,384,709	29,363,640
Loans to other CIs		9,764,985	9,879,960
Securities held for trading	8	-	21,675
Securities held for trading		-	39,287
Provision for securities held for trading		-	(17,612)
Derivative financial instruments	9	-	446,344
Loans to customers		146,782,639	119,212,621
Loans to customers	10	149,145,386	120,643,542
Provision for credit losses of loans to customers	11	(2,362,747)	(1,430,921)
Investment securities	12	37,880,373	31,534,742
Available-for-sale securities		37,897,490	31,554,087
Provision for investment securities		(17,117)	(19,345)
Long-term investments	13	10,036	10,036
Other long-term investments		10,036	10,036
Fixed assets		402,736	382,873
Tangible fixed assets	14	202,533	153,330
Cost		661,129	606,147
Accumulated depreciation		(458,596)	(452,817)
Intangible fixed assets	15	200,203	229,543
Cost		630,943	618,177
Accumulated amortization		(430,740)	(388,634)
Other assets	16	15,251,532	16,840,686
Receivables	16.1	8,480,027	10,881,321
Interest and fee receivables	16.2	5,065,400	2,808,476
Deferred tax assets	16.3	-	50
Other assets	16.4	1,749,755	3,218,269
- In which: Goodwill	17	15,124	25,106
Provision for other assets	16.5	(43,650)	(67,430)
TOTAL ASSETS		267,005,838	212,775,858

	Notes	31 December 2023 VND million	31 December 2022 VND million
LIABILITIES			
Borrowings from the Government and the SBV	18	1,012,533	1,014,560
Deposits and borrowings from the Government and the SBV		1,012,533	1,014,560
Due to banks	19	85,553,514	50,374,160
Deposits from other CIs		54,484,312	29,339,865
Borrowings from other CIs		31,069,202	21,034,295
Customer deposits	20	132,350,131	117,120,779
Derivative financial instruments	9	263,356	-
Valuable papers issued	21	8,991,415	11,599,514
Other liabilities		7,536,677	6,012,847
Interest and fee payables	22.1	3,813,157	2,253,470
Other payables and liabilities	22.2	3,723,520	3,759,377
TOTAL LIABILITIES		235,707,626	186,121,860
OWNERS' EQUITY			
Capital		20,034,068	19,891,568
- Charter capital		20,000,000	19,857,500
- Capital expenditure fund		608	608
- Share premium		33,460	33,460
Reserves		2,589,959	1,896,036
Retained earnings		8,674,185	4,866,394
TOTAL OWNERS' EQUITY	24	31,298,212	26,653,998
TOTAL LIABILITIES AND OWNERS' EQUITY		267,005,838	212,775,858

	Notes	31 December 2023 VND million	31 December 2022 VND million
OFF-STATEMENT OF FINANCIAL POSITION ITEMS			
1. Credit guarantees	39	31,980	33,980
2. Foreign exchange commitments	39	343,840,786	223,775,857
2.1 Foreign exchange commitments - buy		11,263,221	1,408,572
2.2 Foreign exchange commitments - sell		11,255,288	1,407,285
2.3 Swap contracts		321,322,277	220,960,000
3. Letters of credit	39	7,555,360	9,141,549
4. Other guarantees	39	21,686,263	20,444,318
5. Other commitments	39	11,326,397	16,451,969
6. Uncollected interests and fee receivables	40	2,089,139	779,182
7. Bad debts written off	41	15,649,464	13,624,430
8. Other assets and documents	42	83,676,862	114,866,183

Prepared by:

Ms. **Nguyen Bao Ngoc**
Head of Financial Reporting

Hanoi, Vietnam
28 March 2024

Reviewed by:

Ms. **Phung Thuy Nhung**
Chief Accountant

Approved by:



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

	Notes	2023 VND million	2022 VND million
Interest and similar income	25	18,951,085	13,252,114
Interest and similar expenses	26	(9,762,570)	(4,930,323)
Net interest and similar income		9,188,515	8,321,791
Fee and commission income		2,017,973	1,605,101
Fee and commission expenses		(420,948)	(492,637)
Net fee and commission income	27	1,597,025	1,112,464
Net gains from trading of foreign currencies	28	1,072,237	1,000,441
Net losses from trading securities	29	(12,705)	(2,028)
Net gains from investment securities	30	511,812	683,122
Other operating income		610,169	760,999
Other operating expenses		(709,697)	(1,183,995)
Net losses from other operating activities	31	(99,528)	(422,996)
Income from capital contribution, share purchase	32	1,631	880
Operating expenses	33	(4,812,331)	(4,427,964)
Net profit before provision for credit losses		7,446,656	6,265,710
Credit loss expenses	34	(1,616,746)	(478,507)
PROFIT BEFORE TAX		5,829,910	5,787,203
Current corporate income tax (“CIT”) expenses	35	(1,185,646)	(1,170,979)
Deferred CIT expenses		(50)	(11)
Total CIT expenses		(1,185,696)	(1,170,990)
PROFIT AFTER TAX		4,644,214	4,616,213
Basic earnings per share (VND/share)	36	2,322	2,252

Prepared by:

Ms. **Nguyen Bao Ngoc**
Head of Financial Reporting

Hanoi, Vietnam
28 March 2024

Reviewed by:

Ms. **Phung Thuy Nhung**
Chief Accountant

Approved by:



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

	Notes	2023 VND million	2022 VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar receipts		16,726,536	13,219,183
Interest and similar payments		(8,202,883)	(4,282,479)
Net fee and commission receipts		1,564,653	1,106,784
Net receipts from trading of foreign currencies, gold and securities		1,551,505	1,671,342
Other operating expenses		(962,895)	(1,491,064)
Recoveries from bad debts previously written-off		169,516	448,922
Payments of operating and personnel expenses		(3,819,039)	(3,844,731)
Corporate income tax paid	35	(1,396,341)	(573,278)
Net cash flows from operating activities before changes in operating assets and liabilities		5,631,052	6,254,679
Changes in operating assets		(31,720,103)	1,083,505
Decrease in due from banks		114,974	3,652,782
(Increase)/Decrease in trading securities		(6,903,477)	17,302,758
Decrease/(Increase) in derivative financial instruments		446,344	(446,344)
Increase in loans to customers		(28,504,837)	(19,082,631)
Utilization of provision to write off (loans to customers, securities, long-term investments, and other receivables)		(738,829)	(912,144)
Decrease in other assets		3,865,722	569,084
Changes in operating liabilities		48,074,233	3,390,203
Decrease in borrowings from the Government and the SBV		(2,027)	(2,693)
Increase/(Decrease) in due to banks		35,179,354	(17,661,444)
Increase in customer deposits		15,229,350	22,504,361
Decrease in valuable papers issued (excluding valuable papers issued for financing activities)		(2,608,098)	(1,443,026)
Increase/(Decrease) in derivative financial instruments		263,356	(76,833)
Increase in other liabilities		12,298	69,838
Net cash flows from operating activities		21,985,182	10,728,387

	Notes	2023 VND million	2022 VND million
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(120,062)	(174,712)
Proceeds from disposal of fixed assets		503	1,762
Proceeds from investment, capital contribution in other units		1,631	880
Net cash flows used in investing activities		(117,928)	(172,070)
Net cash flows during the year		21,867,254	10,556,317
Cash and cash equivalents at the beginning of the year		35,046,283	24,489,966
Cash and cash equivalents at the end of the year	37	56,913,537	35,046,283

Prepared by:

Ms. **Nguyen Bao Ngoc**
Head of Financial Reporting

Hanoi, Vietnam
28 March 2024

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 08 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 26th amended Business Registration dated 13 January 2023.

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 2023, charter capital of the Bank was VND 20,000,000 million (31 December 2022: VND 19,857,500 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 2023, the Bank has one (01) Head Office, sixty-two (62) branches, two hundred and one (201) transaction offices nationwide (as at 31 December 2022, the Bank has one (01) Head Office, sixty-two (62) branches, two hundred and one (201) transaction offices nationwide).

Subsidiaries

As at 31 December 2023, the Bank had one (01) subsidiary as follows:

No.	Company name	Enterprise Registration Certificate	Business sector	% owned by the Bank
1	TNEX Finance Company Limited (“TNEX FINANCE”) (formerly known as Finance Company Limited for Community)	No. 0301516782 initially issued on 01 December 2010 and amended for the 8th time on 01 February 2024 by the Hanoi Department of Planning and Investments	Other financial activities	100%

Employees

Total number of employees of the Bank as at 31 December 2023 was 6,308 persons (as at 31 December 2022: 6,317 persons).

2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

2.1 Fiscal year

The Bank’s fiscal year starts on 01 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 2023, 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 07 August 2017; Circular No. 16/2018/TT-BTC dated 07 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 and Circular No.27/2021/TT-NHNN dated 31 December 2021 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 2023.

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

The 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 2022, except for the following changes in the accounting policy:

Circular No.02/2023/TT-NHNN dated 23 April 2023 issued by the State Bank of Vietnam providing instructions for credit institutions and foreign bank branches on debt rescheduling and retention of debt category to assist borrowers in difficulties (“Circular 02”).

Main contents of Circular 02 included:

- Scope and conditions of loan eligible for term restructuring;
- Principles of retention of debt classification, accounting for accrued interest and making provision for debts whose principal and/or interest balances are rescheduled for repayment.

This Circular takes effect from 24 April 2023.

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.

4.3 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	Substandard	(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 incompliance with Clause 1, 3, 4, 5, 6 under Article 126 of Law on Credit Institutions; or • Debts made incompliance with Clause 1, 2, 3, 4 under Article 127 of Law on Credit Institutions; or • Debts made incompliance 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 of which 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 of which 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 according to 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 days 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 of which 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 of which repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts of which 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 according to 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 02 April 2022 and Circular No. 14/2021/TT-NHNN (“Circular 14”) dated 07 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.

These Circular 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:

<i>Additional provision</i>	<i>Deadline</i>
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 01 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.

From 24 April 2023, the Bank applied policies to restructure the repayment term but retain the debt classification for assisting customer with difficulties in operating activities and customers with debt repayment difficulties to meet requirement of Circular 02 issued by the SBV providing instructions for credit institutions and foreign branch banks on debt rescheduling and retention of debt category to assist borrowers in difficulties.

Accordingly, the Bank is allowed to restructure the repayment term for these debts and retain the debt classification as follows:

<i>Disbursement date</i>	<i>Overdue status of debts</i>	<i>Due/overdue date</i>	<i>Debt classification retention</i>
Before 24 April 2023	In due or overdue for a period of 10 days since the due date	From 24 April 2023 to 30 June 2024	Retain the latest debt classification as before the overdue date or the date that interest obligation was exempted/reduced

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Specific provision (continued)

The Bank makes specific provisions for customers whose debt repayment term is restructured and debt classification is retained by following formula:

$C = A - B$

In which:

C: Additional specific provision;

A: Specific provision made for customer’s outstanding loan balance according to Circular 11’s debt classification (retention of debt category is not applicable);

B: Specific provision made for the restructured loan balance and specific provision made for the remaining loan balance of customer according to Circular 11’s debt classification.

Additional specific provision (C) is made at the date of the financial statements to ensure the minimum provision as follows:

- As of 31 December 2023: At least 50% of the specific provision;
- As of 31 December 2024: 100% of the specific provision.

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.

4.6 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 08 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:

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

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 No. 24/2022/TT-BTC dated 07 April 2022 amending and supplementing several articles of Circular 48 issued by the SBV. 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 a loan 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

4.11 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Receivables (continued)

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.

4.15 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 “*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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Derivatives (continued)

Currency swap contracts

Currency 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 50*). 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.

4.20 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
 - TNEX Finance Company Limited (“TNEX FINANCE”): According to Decree No. 93/2017/ND-CP, TNEX FINANCE is required to make statutory reserves before distribution of profits similar to the Bank.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, Circular 04 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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.24 Corporate income tax (continued)

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.

4.25 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 01 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 01 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2023 VND million	31 December 2022 VND million
Cash in VND	734,824	878,133
Cash in foreign currencies	203,287	514,085
Gold	1,518	1,333
	939,629	1,393,551

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

	31 December 2023 VND million	31 December 2022 VND million
Balances with the SBV		
- In VND	3,277,068	3,206,421
- In foreign currencies	1,312,131	483,309
	4,589,199	3,689,730

Balances with the SBV include current account and compulsory reserves. In accordance with the SBV’s regulations, as at 31 December 2023, the Bank is required to maintain certain cash reserve with the SBV in the form of compulsory reserves, as follows:

- 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 2023 VND million	31 December 2022 VND million
Placements with other CIs	51,384,709	29,363,640
Demand deposits with other CIs	13,813,935	9,763,592
- In VND	12,674,755	8,985,314
- In foreign currencies	1,139,180	778,278
Term deposit with other CIs	37,570,774	19,600,048
- In VND	29,200,000	17,418,700
- In foreign currencies	8,370,774	2,181,348
Loans to other CIs	9,764,985	9,879,960
In VND	9,374,123	8,716,441
In foreign currencies	390,862	1,163,519
	61,149,694	39,243,600

In which, balance of term deposits with other CIs with an original maturity of three (“3”) months or less as at 31 December 2023 is VND 37,570,774 million.

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

	31 December 2023 % per annum	31 December 2022 % per annum
Term deposits in VND	2.05 - 4.50	2.90 - 8.50
Term deposits in foreign currencies	4.50 - 5.40	2.00 - 4.80
Loans in VND	3.70 - 10.40	4.10 - 11.80
Loans in foreign currencies	4.27 - 7.35	3.00 - 6.38

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

	31 December 2023 VND million	31 December 2022 VND million
Current	47,335,759	29,480,008
	47,335,759	29,480,008

8. SECURITIES HELD FOR TRADING

	31 December 2023 VND million	31 December 2022 VND million
Equity securities		
- Securities issued by local economic entities	-	39,287
Provision for diminution in value of securities held for trading	-	(17,612)
	-	21,675

Listing status of securities held for trading is as follows:

	31 December 2023 VND million	31 December 2022 VND million
Equity securities		
Unlisted	-	39,287
	-	39,287

8. SECURITIES HELD FOR TRADING (continued)

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

	2023 VND million	2022 VND million
Opening balance	17,612	15,800
Provision (reversed)/charged during the year	(17,612)	1,812
Closing balance	-	17,612

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 2023				
Derivative financial instruments				
Forward contracts	62,703,812	-	(43,307)	(43,307)
Swap contracts	158,208,872	-	(220,049)	(220,049)
	<u>220,912,684</u>	<u>-</u>	<u>(263,356)</u>	<u>(263,356)</u>
As at 31 December 2022				
Derivative financial instruments				
Forward contracts	38,382,147	150,331	-	150,331
Swap contracts	111,162,730	296,013	-	296,013
	<u>149,544,877</u>	<u>446,344</u>	<u>-</u>	<u>446,344</u>

(*) 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 2023 VND million	31 December 2022 VND million
Loans to local economic entities and individuals	148,789,541	120,532,719
Commercial papers and valuable papers discount	355,845	110,823
	<u>149,145,386</u>	<u>120,643,542</u>
Interest rates of loans to customers at year end are as follows:		
	31 December 2023 % per annum	31 December 2022 % per annum
In VND	3.00 - 12.50	4.00 - 12.50
In foreign currencies	3.00 - 6.20	3.50 - 7.52

10. LOANS TO CUSTOMERS (continued)

10.1 Analysis of loan to customers by quality

	31 December 2023 VND million	31 December 2022 VND million
Current	142,221,856	116,900,964
Special mention	2,642,701	1,673,825
Substandard	1,032,207	616,555
Doubtful	1,441,280	442,851
Loss	1,807,342	1,009,347
	<u>149,145,386</u>	<u>120,643,542</u>

10.2 Analysis of loan to customers by original maturity

	31 December 2023 VND million	31 December 2022 VND million
Short-term loan	67,725,380	51,830,929
Medium-term loan	43,819,385	27,862,422
Long-term loan	37,600,621	40,950,191
	<u>149,145,386</u>	<u>120,643,542</u>

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

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
State-owned enterprises	3,605,975	2.42	1,548,658	1.28
State-owned limited liability companies	756,626	0.51	1,147,306	0.95
Privately-owned limited liability companies	39,938,570	26.78	29,215,085	24.22
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	1,852,456	1.24	1,134,953	0.94
Other joint stock companies	61,423,469	41.18	49,721,221	41.21
Private companies	3,777	0.00	149	0.00
Foreign invested enterprises	253,713	0.17	286,082	0.24
Cooperatives, cooperative unions	22,442	0.02	26,161	0.02
Operation administration entity, the Party unions and associations	398	0.00	-	-
Individuals	41,286,931	27.68	37,563,927	31.14
Others	1,029	0.00	-	-
	<u>149,145,386</u>	<u>100.00</u>	<u>120,643,542</u>	<u>100.00</u>

10. LOANS TO CUSTOMERS (continued)

10.4 Analysis of loan to customers by industries

	31 December 2023		31 December 2022	
	VND million	%	VND million	%
Agriculture, forestry and fisheries	2,346,262	1.57	656,190	0.54
Mining	332,646	0.22	1,150,939	0.95
Seafood processing	1,427,864	0.96	1,256,232	1.04
Manufacturing, food processing, beverages, animal feed	1,609,573	1.08	1,121,771	0.93
Textile, skin and costumes manufacturing	1,613,649	1.08	1,553,930	1.29
Wood extraction, primary processing, manufacturing and other wood products	1,310,563	0.88	1,266,880	1.05
Paper manufacturing and printing	1,357,596	0.91	1,025,660	0.85
Pharmaceuticals, medicinal chemical, rubber, plastics, fertilizers, chemicals manufacturing	2,123,551	1.42	1,558,786	1.29
Production of construction materials (excluding steel, stainless steel, paint, mastic...)	1,537,847	1.03	838,965	0.70
Steel products	295,669	0.20	105,312	0.09
Billet production	17,276	0.01	25,164	0.02
Production of stainless steel and other metallurgy	49,198	0.03	77,233	0.06
Mechanical, assembly, manufacturing of machinery, automobiles, motorcycles	1,366,705	0.92	1,438,804	1.19
Manufacturing of electronic, electrical equipment, optical computers, telecommunications equipment	2,711,575	1.82	3,269,622	2.71
Ship, boats	3,382	0.00	3,852	0.00
Office equipment, home appliances, medical equipment, education, sports	41,335	0.03	57,352	0.05
Production and distribution of electricity, energy	8,346,872	5.60	10,315,040	8.55
Construction	13,105,715	8.79	11,207,188	9.29
Light industry and consumer goods	16,285,336	10.92	10,714,319	8.88
Fertilizers, chemicals and other chemical products, medicines, pharmaceuticals, medical devices	1,086,396	0.73	778,370	0.65
Commercial of gasoline, oil	4,645,331	3.11	990,165	0.82
Trading of steel, cement, building materials other synthetic	7,426,527	4.98	4,482,711	3.72
Heavy industry	2,978,469	2.00	2,782,320	2.31
Transportation and waterways	3,519,426	2.36	2,925,191	2.42
Shipping business	683,712	0.46	581,322	0.48
Hotel services, tourism, dining, entertainment	188,876	0.13	151,226	0.13
Property and infrastructure	13,163,399	8.83	10,386,690	8.60
Telecommunications services	1,108,097	0.74	769,794	0.64
Professional, scientific and technological activities, administrative and support services, health education, information and communication	4,087,884	2.74	4,259,915	3.53
Warehousing and support services	91,464	0.06	165,387	0.14
Financial and securities activities	7,281,125	4.88	1,446,536	1.20
Other industries	5,715,135	3.83	5,716,749	4.74
Individuals	41,286,931	27.68	37,563,927	31.14
	149,145,386	100.00	120,643,542	100.00

11. PROVISION FOR CREDIT LOSSES OF LOANS TO CUSTOMERS

	31 December 2023 VND million	31 December 2022 VND million
General provision	1,105,035	898,256
Specific provision	1,257,712	532,665
	2,362,747	1,430,921

Changes in provision for credit losses of loans to customers in 2023 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	898,256	532,665	1,430,921
Provision charged	206,779	1,437,329	1,644,108
Bad debts written off	-	(709,288)	(709,288)
Other decreases	-	(3,185)	(3,185)
Other increases	-	191	191
Closing balance	1,105,035	1,257,712	2,362,747

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

12. INVESTMENT SECURITIES

12.1 Available-for-sale securities

	31 December 2023 VND million	31 December 2022 VND million
Debt securities	37,897,490	31,554,087
Government bonds	22,572,105	16,577,065
Debt securities issued by other local CIs	13,800,000	12,097,953
Debt securities issued by local economic entities	1,525,385	2,579,385
Treasury bills issued by the SBV	-	299,684
Provision for available-for-sale securities	(17,117)	(19,345)
General provision	(11,440)	(19,345)
Specific provision	(5,677)	-
	37,880,373	31,534,742

- Government bonds have terms ranging from 5 years to 30 years with interest rates ranging from 2.20% p.a. to 8.80% 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 15.00% p.a.
- Bonds issued by local economic entities have terms ranging from 3 years to 10 years with interest rates ranging from 8.50% p.a. to 12.40% 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 2023 are as follows:

	<i>General provision VND million</i>	<i>Specific provision VND million</i>	<i>Total VND million</i>
Opening balance	19,345	-	19,345
Provision charged/(reversed)	(7,905)	5,677	(2,228)
Closing balance	11,440	5,677	17,117

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

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

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

	<i>2023 VND million</i>	<i>2022 VND million</i>
Opening balance	-	8,560
Provision reversed	-	(8,560)
Closing balance	-	-

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

	<i>31 December 2023 VND million</i>	<i>31 December 2022 VND million</i>
Current	14,921,000	14,677,338
Special mention	376,000	-
Substandard	28,385	-
	15,325,385	14,677,338

13. LONG-TERM INVESTMENTS

	<i>31 December 2023 VND million</i>	<i>31 December 2022 VND million</i>
Investments in economic entities	10,036	10,036
	10,036	10,036

14. TANGIBLE FIXED ASSETS

	<i>Buildings and structures VND million</i>	<i>Machines and equipment VND million</i>	<i>Means of transportation VND million</i>	<i>Office equipment VND million</i>	<i>Others VND million</i>	<i>Total VND million</i>
Cost						
Opening balance	28,589	393,508	91,919	91,905	226	606,147
Additions	-	94,948	-	6,938	5,410	107,296
Disposal	-	(34,098)	(748)	(17,424)	(44)	(52,314)
Closing balance	28,589	454,358	91,171	81,419	5,592	661,129
Accumulated depreciation						
Opening balance	13,379	281,136	75,447	82,659	196	452,817
Depreciation during the year	562	47,809	2,770	6,084	931	58,156
Disposal	-	(34,091)	(748)	(17,389)	(44)	(52,272)
Other decreases	-	(105)	-	-	-	(105)
Closing balance	13,941	294,749	77,469	71,354	1,083	458,596
Net book value						
Opening balance	15,210	112,372	16,472	9,246	30	153,330
Closing balance	14,648	159,609	13,702	10,065	4,509	202,533

Cost of fully-depreciated tangible fixed assets in use as at 31 December 2023 is VND 311,425 million.

15. INTANGIBLE FIXED ASSETS

	<i>Land use rights VND million</i>	<i>Computer software VND million</i>	<i>Others VND million</i>	<i>Total VND million</i>
Cost				
Opening balance	52,233	546,134	19,810	618,177
Additions	-	10,490	2,276	12,766
Closing balance	52,233	556,624	22,086	630,943
Accumulated amortization				
Opening balance	-	379,060	9,574	388,634
Amortization during the year	-	39,127	2,979	42,106
Closing balance	-	418,187	12,553	430,740
Net book value				
Opening balance	52,233	167,074	10,236	229,543
Closing balance	52,233	138,437	9,533	200,203

Cost of fully-amortized intangible fixed assets in use as at 31 December 2023 is VND 164,409 million.

16. OTHER ASSETS

16.1 Receivables

	31 December 2023 VND million	31 December 2022 VND million
Internal receivables	76,338	101,260
External receivables	8,232,333	10,663,966
Construction in progress	171,356	116,095
	8,480,027	10,881,321

16.1.1 Internal receivables

	31 December 2023 VND million	31 December 2022 VND million
Advances for operations	70,099	84,679
Embezzled, deficient, lost money, assets awaiting settlement	2,571	2,194
Other advances and receivables	3,668	14,387
	76,338	101,260

16.1.2 External receivables

	31 December 2023 VND million	31 December 2022 VND million
Receivables from debt selling contracts	4,001,159	2,481,159
Receivables from trade finance activities	2,657,177	5,008,050
Other advances and receivables	1,349,650	2,936,968
Advances for processing of foreclosed assets (*)	174,454	217,033
Interest subsidy receivables from State Budget	45,438	20,067
Tax receivables from State Budget	4,455	689
	8,232,333	10,663,966

(*) Including VND 79,150 million expenses for operating foreclosed assets, which are ships, recognized as advances (as at 31 December 2022: VND 115,180 million). The Bank will finalize total operating income (Note 22.2.2) and operating expenses arisen upon sales of these assets.

16.1.3 Construction in progress

	31 December 2023 VND million	31 December 2022 VND million
Advances for purchase of fixed assets	86,778	63,108
Repair of fixed assets	84,578	52,987
	171,356	116,095

16.2 Interest and fee receivables

	31 December 2023 VND million	31 December 2022 VND million
Interest receivables from deposits	25,898	18,429
Interest receivables from investment securities	971,532	574,941
Interest receivables from credit activities	3,598,525	1,594,434
Interest receivables from derivative financial instruments	424,144	607,746
Other interest receivables	45,301	12,926
	5,065,400	2,808,476

16. OTHER ASSETS (continued)

16.3 Deferred tax assets

	31 December 2023 VND million	31 December 2022 VND million
Opening balance	50	61
Deferred tax assets related to tax-deductible temporary differences	(50)	(11)
Closing balance	-	50

16.4 Other assets

	31 December 2023 VND million	31 December 2022 VND million
Materials and tools	29,496	47,469
Prepaid expenses awaiting allocation	589,639	361,573
Foreclosed assets awaiting resolution	1,115,496	2,164,447
Receivables from trading securities	-	462,305
Other assets	-	157,369
Goodwill	15,124	25,106
	1,749,755	3,218,269

(*) Including VND 1,056,767 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 2023 VND million	31 December 2022 VND million
Provision for receivables from debts sold	-	27,362
- General provision	-	27,362
Other provision	43,650	40,068
	43,650	67,430

Changes in provision for receivables from debts sold in 2023 are as follows:

	General provision VND million	Specific provision VND million	Total VND million
Opening balance	27,362	-	27,362
Provision reversed	(27,362)	-	(27,362)
Closing balance	-	-	-

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

16. OTHER ASSETS (continued)

16.5 Provision for other assets (continued)

Changes in other provision during the year are as follows:	2023 VND million	2022 VND million
Opening balance	40,068	38,690
Provision (reversed)/charged	(70)	2,118
Bad debts written off	(29,541)	(2,438)
Other increases	33,193	1,698
Closing balance	43,650	40,068

17. GOODWILL

	2023 VND million	2022 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	74,717	64,735
Value of unamortized goodwill	25,106	35,088
Goodwill amortized during the year	(9,982)	(9,982)
Goodwill amortized during the year	(9,982)	(9,982)
Total value of unamortized goodwill at the end of the year	15,124	25,106

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

	31 December 2023 VND million	31 December 2022 VND million
Borrowings from the SBV	1,011,561	1,014,560
Discounting, rediscounting of valuable papers	999,972	999,972
Borrowings for Banking and Settlement System Modernization Project	11,589	14,588
Deposits from the State Treasury	972	-
Deposits in VND	972	-
	1,012,533	1,014,560

19. DUE TO BANKS

	31 December 2023 VND million	31 December 2022 VND million
Deposits from other CIs	54,484,312	29,339,865
Demand deposits	13,292,684	13,370,028
- In VND	12,936,882	12,969,177
- In foreign currencies	355,802	400,851
Term deposits	41,191,628	15,969,837
- In VND	40,881,510	15,261,837
- In foreign currencies	310,118	708,000
Borrowings from other CIs	31,069,202	21,034,295
In VND	11,880,021	9,345,443
In foreign currencies	19,189,181	11,688,852
	85,553,514	50,374,160

19. DUE TO BANKS (continued)

Interest rates of due to banks at year end are as follows:	31 December 2023 % per annum	31 December 2022 % per annum
Term deposits from other CIs in VND	2.00 - 4.50	2.80 - 8.90
Term deposits from other CIs in foreign currencies	5.00 - 5.10	4.30 - 5.30
Borrowings from other CIs in VND	2.00 - 4.99	5.50 - 6.60
Borrowings from other CIs, financial institutions in foreign currencies	5.13 - 6.53	3.08 - 5.99

20. CUSTOMER DEPOSITS

20.1 Analysis of customer deposits by type of deposits

	31 December 2023 VND million	31 December 2022 VND million
Demand deposits	33,317,559	34,736,911
Demand deposits in VND	29,490,769	28,473,485
Demand deposits in foreign currencies	3,826,790	6,263,426
Term deposits	97,229,772	80,625,545
Term deposits in VND	95,434,641	78,136,273
Term deposits in foreign currencies	1,795,131	2,489,272
Deposit for specific purposes	361,807	171,944
Deposit for specific purposes in VND	307,283	162,110
Deposit for specific purposes in foreign currencies	54,524	9,834
Margin deposits	1,440,993	1,586,379
Margin deposits in VND	1,376,826	1,539,236
Margin deposits in foreign currencies	64,167	47,143
	132,350,131	117,120,779

Interest rates of customer deposits at year end are as follows:	31 December 2023 % per annum	31 December 2022 % per annum
Demand deposits in VND	0.00 - 0.50	0.00 - 0.50
Term deposits in VND	2.50 - 11.00	5.00 - 9.50
Demand deposits in foreign currencies	0.00	0.00
Term deposits in foreign currencies	0.00 - 0.10	0.00 - 0.10

20.2 Analysis of customer deposits by type of customers

	31 December 2023 VND million	%	31 December 2022 VND million	%
Deposits from economic entities	56,762,543	42.89	57,175,663	48.82
Deposits from individuals	75,587,588	57.11	59,945,116	51.18
	132,350,131	100.00	117,120,779	100.00

21. VALUABLE PAPERS ISSUED

	31 December 2023	31 December 2022	
	VND million	VND million	
Certificate of deposit	2,091,415	3,199,514	
Ordinary bonds	6,900,000	8,400,000	
	8,991,415	11,599,514	
Details of terms of valuable papers issued by par value at year end are as follows:			
	Ordinary bonds	Certificate of deposit	Total
	VND million	VND million	VND million
Up to 12 months (Up to 366 days)			
- In VND	-	2,000,700	2,000,700
From 12 months to 5 years (From 366 - 1826 days)			
- In VND	6,900,000	90,715	6,990,715
Closing balance	6,900,000	2,091,415	8,991,415

22. OTHER LIABILITIES

22.1 Interest and fee payables

	31 December 2023 VND million	31 December 2022 VND million
Interest payables for deposits	2,767,659	1,250,861
Interest payables for valuable papers issued	276,163	236,734
Interest payables for borrowings from other CIs	326,168	186,492
Interest payables for derivative financial instruments	443,167	579,383
	3,813,157	2,253,470

22.2 Other payables and liabilities

	31 December 2023 VND million	31 December 2022 VND million
Internal payables	1,357,884	964,796
External payables	2,337,402	2,764,267
Bonus and welfare fund	28,234	30,314
	3,723,520	3,759,377

22.2.1 Internal payables

	31 December 2023 VND million	31 December 2022 VND million
Payables to employees	828,508	658,804
Dividend payables	6,409	6,413
Excessive funds and assets awaiting settlement	1,628	1,383
Suspended interests of foreclosed assets	13,261	27,708
Other internal payables	508,078	270,488
	1,357,884	964,796

22. OTHER LIABILITIES (continued)

22.2 Other payables and liabilities (continued)

22.2.2 External payables	31 December 2023 VND million	31 December 2022 VND million
Escrow accounts awaiting settlement	51,775	28,577
Taxes payable to State Budget	670,804	966,439
Payables relating to fund transferring	185,572	159,115
Receivables from sales of debts, collaterals or utilization of collaterals (*)	275,326	430,901
Other external payables	1,153,925	1,179,235
	2,337,402	2,764,267

(*) Including VND 274,578 million operating income from foreclosed assets, which are ships (as at 31 December 2022: VND 430,725 million).
The Bank will finalize total operating income and operating expenses (Note 16.1.2) 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	(689)	(3,766)	-	(4,455)
Corporate income tax	(689)	(3,766)	-	(4,455)
Payables to the State Budget	966,439	1,611,653	(1,907,288)	670,804
Value added tax	10,735	130,876	(129,753)	11,858
Corporate income tax	821,224	1,182,247	(1,396,341)	607,130
Other taxes	134,480	297,686	(380,350)	51,816
Other payables	-	844	(844)	-
	965,750	1,607,887	(1,907,288)	666,349

24. OWNERS' EQUITY AND RESERVES

24.1 Statement of changes in equity

	Charter capital	Share premium	Development & investment reserve	Financial supplementary reserve	Capital reserve	Capital expenditure fund	Retained earnings	Total
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)	-
Issuing shares for paying dividend	4,582,500	(458,250)	-	-	-	-	(4,124,250)	-
As at 1 January 2023	19,857,500	33,460	3,397	1,344,767	547,872	608	4,866,394	26,653,998
Net profit during the year	-	-	-	-	-	-	4,644,214	4,644,214
Issuing shares under the Bank's Employee Stock Ownership Program	142,500	-	-	-	-	-	(142,500)	-
Appropriation to reserves	-	-	-	462,615	231,308	-	(693,923)	-
As at 31 December 2023	20,000,000	33,460	3,397	1,807,382	779,180	608	8,674,185	31,298,212

24. OWNERS' EQUITY AND RESERVES (continued)

24.2 Capital	31 December 2023 shares	31 December 2022 shares
Number of registered shares	2,000,000,000	2,000,000,000
Number of shares issued	2,000,000,000	2,000,000,000
Common shares	2,000,000,000	2,000,000,000
Number of outstanding shares	2,000,000,000	2,000,000,000
Common shares	2,000,000,000	2,000,000,000
Face value per share	10,000	10,000

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

	31 December 2023		31 December 2022	
	Number of common shares	%	Number of common shares	%
Vietnam Posts and Telecommunications Group	120,965,367	6.05	120,965,367	6.05

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.

25. INTEREST AND SIMILAR INCOME

	2023 VND million	2022 VND million
Interest income from deposits	749,702	228,547
Interest income from loans to customers	15,112,528	10,270,547
Interest income from investment securities	1,970,187	2,030,171
Interest income from guarantee services	283,123	268,965
Other income from credit activities	835,545	453,884
	18,951,085	13,252,114

26. INTEREST AND SIMILAR EXPENSES

	2023 VND million	2022 VND million
Interest expenses on deposits	7,608,989	3,404,093
Interest expenses on borrowings	1,457,534	845,561
Interest expenses on valuable papers issued	644,767	625,349
Expenses for other credit activities	51,280	55,320
	9,762,570	4,930,323

27. NET FEES AND COMMISSION INCOME

	2023 VND million	2022 VND million
Fees and commission income	2,017,973	1,605,101
Settlement services	919,218	830,289
Treasury services	1,955	3,466
Entrustment and agent operations	443,318	269,218
Others	653,482	502,128
Fees and commission expenses	(420,948)	(492,637)
Settlement services	(224,734)	(264,189)
Treasury services	(9,091)	(11,195)
Others	(187,123)	(217,253)
Net fees and commission income	1,597,025	1,112,464

28. NET GAINS FROM TRADING OF FOREIGN CURRENCIES

	2023 VND million	2022 VND million
Income from foreign exchange	6,160,214	5,366,265
Income from spot trading of foreign currencies and gold	1,201,639	999,045
Income from trading of derivative financial instruments	4,958,575	4,367,220
Expenses for foreign exchange	(5,087,977)	(4,365,824)
Expense for spot trading of foreign currencies and gold	(171,232)	(180,454)
Expense for trading of derivative financial instruments	(4,916,745)	(4,185,370)
Net gains from trading of foreign currencies	1,072,237	1,000,441

29. NET LOSSES FROM TRADING SECURITIES

	2023 VND million	2022 VND million
Expenses for trading securities	(30,317)	(216)
Provision reversed/(charged) for trading securities	17,612	(1,812)
Net losses from trading securities	(12,705)	(2,028)

30. NET GAINS FROM INVESTMENT SECURITIES

	2023 VND million	2022 VND million
Income from trading of investment securities	821,095	1,894,599
Expenses for trading of investment securities	(311,511)	(1,223,482)
Provision reversed for investment securities	2,228	12,005
Net gains from investment securities	511,812	683,122

31. NET LOSSES FROM OTHER OPERATING ACTIVITIES

	2023 VND million	2022 VND million
Other operating income	610,169	760,999
Income from bad debts written-off	169,516	448,922
Income from disposal of assets	469	1,762
Income from debt trading	177	1,039
Other income	440,007	309,276
Other operating expenses	(709,697)	(1,183,995)
Expense for debt trading	-	(2)
Expense for other derivative financial instruments	(64)	(24)
Other expenses	(709,633)	(1,183,969)
Net losses from other operating activities	(99,528)	(422,996)

32. INCOME FROM CAPITAL CONTRIBUTION, SHARE PURCHASE

	2023 VND million	2022 VND million
Dividends received from capital contribution, share purchase	1,631	880
	1,631	880

33. OPERATING EXPENSES

	2023 VND million	2022 VND million
Tax payments and other fees	87,993	81,597
Personnel expenses	2,838,027	2,647,866
- Salaries and allowance	2,498,722	2,341,959
- Salary-related allowance	215,854	174,963
- Subsidies	59,186	58,635
- Others	64,265	72,309
Asset expenses	639,932	574,742
- Depreciation and amortization	100,262	103,323
- Repair and maintenance costs	116,921	99,705
- Rental expenses	374,173	317,160
- Tools and supplies	37,186	37,082
- Insurance fees	11,390	17,472
Administrative expenses	1,150,713	1,055,338
- Per diem	65,405	47,707
- Hiring experts and consultants	139,080	80,025
- Others	946,228	927,606
Insurance expenses for customer deposits	95,736	66,303
Provision (reversed)/charged (excluding provision for on- and off-statement of financial position credit risks; provision for diminution in value of securities)	(70)	2,118
	4,812,331	4,427,964

34. CREDIT LOSSES EXPENSES

	2023 VND million	2022 VND million
Provision charged for loans to customers	1,644,108	495,517
Provision reversed for receivables from debts sold	(27,362)	(17,010)
	1,616,746	478,507

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 02 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.

	2023 VND million	2022 VND million
Profit before tax	5,829,910	5,787,203
Adjustments		
- Non-deductible expenses	4,793	10,475
- Non-taxable income	(1,631)	(904)
- Movements of temporary differences	(36,420)	(203,028)
- Non-taxable consolidated adjustments (Goodwill, disposal of assets)	9,730	9,929
Taxable income incurred during the year	5,806,382	5,603,675
Include:		
- Income from operating activities	5,806,382	5,603,675
Tax rate	20%	20%
Current CIT expenses	1,161,277	1,120,735
Include:		
- CIT expenses from operating activities	1,161,277	1,120,735
Adjustments of prior periods CIT expenses	24,369	50,244
CIT incurred during the year	1,185,646	1,170,979
CIT paid in previous years	(7,165)	-
CIT must be paid during the year	1,178,481	1,170,979
CIT payable at the beginning of the year	820,535	222,834
CIT paid during the year	(1,396,341)	(573,278)
CIT payable at the end of the year	602,675	820,535
Deferred CIT expenses	50	11

36. BASIC EARNINGS PERSHARE

The calculation of basic earnings per share for 2023 is based on the net profit attributable to ordinary shareholders of the Bank.

	2023	2022
Net profit after tax attributable to ordinary shareholders (VND million)	4,644,214	4,473,713
Weighted average number of ordinary shares (shares)	2,000,000,000	1,986,921,233
Basic earnings per share (VND/share)	2,322	2,252

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 2023 VND million	31 December 2022 VND million
Cash and cash equivalents	939,629	1,393,551
Balances with the SBV	4,589,199	3,689,730
Demand deposit with other CIs	13,813,935	9,763,592
Placements with other CIs with original terms of 3 months or less	37,570,774	19,600,048
Securities with a term of redemption or maturity not exceeding 3 months from the date of purchase	-	599,362
	56,913,537	35,046,283

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

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

	31 December 2023 VND million	31 December 2022 VND million
Immovables	141,598,463	135,999,992
Movables	10,667,281	13,297,846
Valuable papers	56,394,481	48,828,117
Other assets	268,115,355	224,652,264
	476,775,580	422,778,219

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

	31 December 2023 VND million	31 December 2022 VND million
Valuable papers	11,737,000	10,188,500
	11,737,000	10,188,500

39. EMPLOYEES' REMUNERATIONS

	2023 VND million	2022 VND million
I. Total average number of employees (person)	6,731	6,091
II. Employees' remuneration		
1. Total salary fund and bonus	2,325,588	2,484,920
2. Total income	2,327,667	2,487,355
3. Average monthly salary	28.79	34.00
4. Average monthly income	28.82	34.03

40. CONTINGENT LIABILITIES AND COMMITMENTS

	31 December 2023 VND million	31 December 2022 VND million
Credit guarantees	31,980	33,980
Foreign exchange commitments	343,840,786	223,775,857
- Spot foreign exchange commitments - buy	11,263,221	1,408,572
- Spot foreign exchange commitments - sell	11,255,288	1,407,285
- Cross currency swap contracts	321,322,277	220,960,000
Letters of credit	7,555,360	9,141,549
- Letters of credit	7,865,215	9,575,780
Less: Margin deposits	(309,855)	(434,231)
Other guarantees	21,686,263	20,444,318
- Settlement guarantees	3,343,207	4,528,714
- Contract performance guarantees	5,332,633	4,539,156
- Bid guarantees	913,928	798,158
- Other guarantees	12,934,764	11,508,786
Less: Margin deposits	(838,269)	(930,496)
Other commitments	11,326,397	16,451,969

41. UNCOLLECTED INTERESTS AND FEE RECEIVABLES

	31 December 2023 VND million	31 December 2022 VND million
Uncollected loan interest	1,445,389	779,123
Uncollected securities interest	643,691	-
Uncollected receivable fees	59	59
	2,089,139	779,182

42. BAD DEBTS WRITTEN OFF

	31 December 2023 VND million	31 December 2022 VND million
Principal of the bad debts written off is under monitoring	5,615,707	4,752,064
Interest of the bad debts written off is under monitoring	10,001,777	8,869,928
Other bad debts written off	31,980	2,438
	15,649,464	13,624,430

43. OTHER ASSETS AND DOCUMENTS

	31 December 2023 VND million	31 December 2022 VND million
Other assets kept nominally	17,789,628	21,340,752
Assets under operating leases	4,892	4,892
Collateral received as a substitute for obligations of the guarantor awaiting settlement	-	5,120
Other valuable documents are being preserved	65,882,342	93,515,419
	83,676,862	114,866,183

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 2023 Receivables/(Payables) VND million	31 December 2022 Receivables/(Payables) VND million
Vietnam Posts and Telecommunications Group (“VNPT”) – Major shareholder		
Deposits	(1,558,638)	(2,489,341)
Interest payables	(21,864)	(45,698)
ROX Group JSC – Related party of members of the Board of Directors		
Deposits	(3,588)	(1,041)
Loans	48	44
FamilyMart Vietnam JSC – Related party of members of the Board of Directors		
Deposits	(381)	(576)
Loans	13	-
ROX Living JSC – Related party of the Board of Directors		
Deposits	(2,086)	-
Loans	15	-
TNS Holdings Trading Service Joint Stock Company - Related party of the Board of Directors		
Deposits	(223,735)	-
Interest payable	(42)	-
ROX Asset JSC – Related party of the Board of Directors		
Deposits	(336)	(1,689)
Loans	9	-
Members of the Board of Directors, Management, Board of Supervision and related individuals		
Deposits	(637,558)	(91,139)
Loans	202,192	127,240
Other receivables	1,311	960
Other payables and pending payments	(4,672)	(897)

44. RELATED PARTY TRANSACTIONS (continued)

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

	2023 VND million	2022 VND million
VNPT – Major shareholder		
Interest expenses on deposits	(164,886)	(75,979)
ROX Group JSC – Related party of members of the Board of Directors		
Interest expenses on deposits	(6)	(5)
Fee income	38	145
Interest income from loans	1	1
FamilyMart Vietnam JSC – Related party of members of the Board of Directors		
Interest expenses on deposits	(2)	(1)
ROX Asset JSC – Related party of the Board of Directors		
Interest expenses on deposits	(2)	(3)
ROX Living JSC – Related party of the Board of Directors		
Interest expenses on deposits	(3)	-
Fee income	5	-
TNS Holdings Trading Service Joint Stock Company - Related party of the Board of Directors		
Interest expenses on deposits	(47)	-
Members of the Board of Directors, Management, Board of Supervision and related individuals		
Remunerations of the Board of Directors	(15,039)	(16,363)
- Chairman	-	-
- Vice - Chairman 1	(3,230)	(3,334)
- Vice - Chairman 2	(2,936)	(3,243)
- Member 1	(2,585)	(2,954)
- Member 2	(2,827)	(3,159)
- Member 3	(1,869)	(2,132)
- Member 4	(1,592)	(1,541)
Remunerations of the Board of Supervision	(5,071)	(4,783)
Salaries of the Chief Executive Officer and Deputy Chief Executive Officers	(34,608)	(35,689)
Interest income from loans	19,262	2,054
Fee income and other income	252	64
Interest expenses on deposits and valuable papers issued	(39,211)	(2,675)

45. SEGMENT REPORT

45.1 Business segment report

Operating results by business segments in 2023 are as follows:

	<i>Banking and finance VND million</i>	<i>Others VND million</i>	<i>Offsetting intercompany transactions VND million</i>	<i>Total VND million</i>
I. Income	50,611,239	-	(22,029,162)	28,582,077
1. Interest income	40,980,217	-	(22,029,132)	18,951,085
2. Fee and commission income	2,018,003	-	(30)	2,017,973
3. Income from other operating activities	7,613,019	-	-	7,613,019
II. Expenses	(43,154,853)	-	22,019,432	(21,135,421)
1. Interest expenses	(31,791,702)	-	22,029,132	(9,762,570)
2. Depreciation expenses	(100,514)	-	252	(100,262)
3. Expenses directly related to operating activities	(11,262,637)	-	(9,952)	(11,272,589)
Operating results before provision for credit losses	7,456,386	-	(9,730)	7,446,656
Credit loss expenses	(1,616,746)	-	-	(1,616,746)
Operating results by segments	5,839,640	-	(9,730)	5,829,910

Assets and liabilities by business segments as at 31 December 2023 are as follows:

	<i>Banking and finance VND million</i>	<i>Others VND million</i>	<i>Offsetting intercompany transactions VND million</i>	<i>Total VND million</i>
III. Assets	269,839,642	-	(2,833,804)	267,005,838
1. Cash on hand	939,629	-	-	939,629
2. Fixed assets	402,736	-	-	402,736
3. Other assets	268,497,277	-	(2,833,804)	265,663,473
IV. Liabilities	237,859,478	-	(2,151,852)	235,707,626
1. External liabilities	2,431,273	-	(93,871)	2,337,402
2. Internal liabilities	1,357,884	-	-	1,357,884
3. Other liabilities	234,070,321	-	(2,057,981)	232,012,340

45.2 Geographical segment report

	<i>Northern VND million</i>	<i>Central VND million</i>	<i>Southern VND million</i>	<i>Total VND million</i>
I. Operating results by segment				
1. Total income	21,996,739	1,196,913	5,388,425	28,582,077
2. Total operating expenses	18,682,691	720,226	3,349,250	22,752,167
Profit before tax	3,314,048	476,687	2,039,175	5,829,910
II. Assets	213,574,350	9,639,772	43,791,716	267,005,838
III. Liabilities	183,760,931	9,331,014	42,615,681	235,707,626

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

	<i>Credit granting (loans to customers and other CIs) VND million</i>	<i>Fund mobilized (deposits from customers, due to banks) VND million</i>	<i>Credit commitments VND million</i>	<i>Derivative instruments (Total contract nominal value) VND million</i>	<i>Trading and investment securities VND million</i>
Domestic	158,910,371	186,723,174	29,273,603	220,912,684	37,897,490
Overseas	-	111,269	-	-	-
Total	158,910,371	186,834,443	29,273,603	220,912,684	37,897,490

47. 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 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.

47.1 Credit risk

Credit risk is the possibility of loss in a credit institution's banking activities due to customers or partners not performing or not being able 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.

47. RISK MANAGEMENT POLICIES (continued)

47.1 Credit risk (continued)

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

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:

	Not impaired VND million	Impaired without provision VND million	Impaired with provision VND million	Total VND million
Due from banks	47,335,759	-	-	47,335,759
Loans to customers	142,221,856	1,562,044	5,361,486	149,145,386
Debt securities issued by local CIs and economic entities	14,921,000	376,000	28,385	15,325,385
Other credit risk- bearing assets	-	4,001,159	-	4,001,159
Total	204,478,615	5,939,203	5,389,871	215,807,689

47.2 Market risk

47.2.1 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.

The Bank maintains an interest rate risk management policy that ensures the following principles:

- Complying with the regulations of the SBV and its internal regulations on the internal control system over interest rate risk management;
- Periodically measuring; Strictly monitoring and controlling potential interest rate risks in the Bank's key business operations (including assets, liabilities and off-balance sheet commitments); thereby fully implementing measures to balance assets-liabilities structure; and/or preventive measures to minimize the Bank's exposures against adverse fluctuations in market interest rates;
- Establishing interest rate risk management limits on the interest rate re-pricing period; change in net interest and similar income and change in economic value of owners' equity based on stress test results in normal scenarios and adverse scenarios.

Principles for classifying and measuring interest rate risk status through the gap of interest rate re-pricing period of Asset; Liabilities items located on and off-balance sheet meet the following contents:

- Interest-sensitive items (assets, liabilities) are those whose income/expenses/prices change when interest rates change;
- Non-interest bearing items (non-interest rate sensitive) include but are not limited to: cash, gold, silver, gemstones, balances with the SBV, securities held for trading, premiums, discounts, interest and fees receivable, long-term investments, fixed assets, investment securities (equity securities), other assets, other non-interest-bearing debt and overdue portion of asset items;
- Overdue indicators of asset items are cash flows that are overdue and/or classified as Group 2 or higher according to CIC;
- Interest-sensitive items are allocated to periods on the report based on the actual interest rate re-pricing period of each transaction arising in the item;
- The actual term used for determining interest rate is the period of time (number of days) from the end of the accounting period until the interest rate re-adjustment date (the interest rate re-pricing date) or the due date/partial due date according to the contract of the financial assets and liabilities, whichever comes first. Details are as follows:

47. RISK MANAGEMENT POLICIES (continued)

47.2 Market risk (continued)

47.2.1 Interest rate risk (continued)

- + Items that are sensitive to interest rates but whose interest rate re-pricing period cannot be specifically determined (deposits/demand deposits from CIs, economic entities and individuals, overdrafts, credit cards) will be recorded in the period closest on report (up to 1 month);
- + Items with floating interest rate: the actual interest rate repricing term is calculated from the end of the accounting period until the interest rate re-pricing date or maturity date/partial due date according to the contract, whichever comes first;
- + The interest-sensitive items of other assets and liabilities which have fixed interest rate: the actual interest rate re-pricing term is calculated from the end of the accounting period until maturity date/partial due date according to the contract.

The interest rates set by the Bank for loans to customers and customer deposits by currencies are presented in *Note 10* and *Note 20*, 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	-	939,629	-	-	-	-	-	-	939,629
Balances with the SBV	-	4,589,199	-	-	-	-	-	-	4,589,199
Due from banks (*)	-	269,747	51,381,342	5,005,507	3,205,285	1,217,813	70,000	-	61,149,694
Loans to customers and debts purchased (*)	6,911,542	954,370	35,672,970	57,961,996	25,965,770	12,707,019	8,307,367	664,352	149,145,386
Investment securities (*)	404,385	3,064,349	30,000	5,003,445	225,000	4,696,000	9,102,000	15,372,311	37,897,490
Long-term investments (*)	-	10,036	-	-	-	-	-	-	10,036
Fixed assets	-	402,736	-	-	-	-	-	-	402,736
Other assets (*)	10,527	11,737,097	412,382	1,528,706	931,041	122,639	57,600	495,190	15,295,182
Total assets	7,326,454	21,967,163	87,496,694	69,499,654	30,327,096	18,743,471	17,536,967	16,531,853	269,429,352
Liabilities									
Borrowings from the Government and the SBV	-	-	2,665	-	-	1,001,666	8,202	-	1,012,533
Due to banks	-	-	69,376,017	7,116,225	8,690,584	370,688	-	-	85,553,514
Derivative financial instruments	-	-	101,067	14,332	(19,147)	57,053	110,051	-	263,356
Customer deposits	-	-	63,228,992	19,143,305	30,933,645	14,658,736	4,385,380	73	132,350,131
Valuable papers issued	-	-	85,215	2,006,200	-	400,000	6,500,000	-	8,991,415
Other liabilities (*)	-	7,536,360	44	272	1	-	-	-	7,536,677
Total liabilities	-	7,536,360	132,794,000	28,280,334	39,605,083	16,488,143	11,003,633	73	235,707,626
Off-statement of financial position interest sensitivity gap	7,326,454	14,430,803	(45,297,306)	41,219,320	(9,277,987)	2,255,328	6,533,334	16,531,780	33,721,726
Off-balance sheet commitments have an impact on the interest rate sensitivity of assets and liabilities (net)	-	-	682,456	10,329,932	1,379,192	(1,260,879)	(3,995,820)	(4,595,000)	2,539,881
On-statement of financial position interest sensitivity gap	7,326,454	14,430,803	(44,614,850)	51,549,252	(7,898,795)	994,449	2,537,514	11,936,780	36,261,607

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

47. RISK MANAGEMENT POLICIES (continued)

47.2 Market risk (continued)

47.2.2 Currency risk

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

The Bank is incorporated and operates in Vietnam with VND as its reporting currency. The major currency of its transaction is also VND. Asset - liability structure of the Bank includes different foreign currencies such as USD, EUR, JPY,... which is the cause of currency risk.

The Bank maintains a currency risk management policy that ensures the following principles:

- Complying with the regulations of the SBV and its internal regulations on the internal control system over foreign exchange risk management;
- Measuring on a daily basis; strictly monitor and control foreign exchange risks on the basis of ensuring compliance with established limits (in accordance with the SBV’s regulations) on foreign currency positions; sensitivity; potential profit/loss; concentration levels by currency which are based on stress test results in normal scenarios and adverse scenarios.

	<i>EUR equivalent VND million</i>	<i>USD equivalent VND million</i>	<i>Other foreign currencies equivalent VND million</i>	<i>Total VND million</i>
Asset				
Cash, gold and gemstones	35,961	104,767	64,077	204,805
Balances with the SBV	691	1,311,440	-	1,312,131
Due from banks (*)	52,730	9,606,117	241,969	9,900,816
Derivative financial instruments	35,009	6,329,998	-	6,365,007
Loans to customers and debts purchased (*)	-	8,799,580	-	8,799,580
Other assets (*)	65,081	1,218,433	15,520	1,299,034
Total assets	189,472	27,370,335	321,566	27,881,373
Liabilities				
Borrowing from the Government and the SBV	-	11,589	-	11,589
Due to banks	81,579	19,721,544	51,978	19,855,101
Customer deposits	96,922	5,549,257	94,433	5,740,612
Derivative financial instruments	-	-	480,808	480,808
Other liabilities (*)	9,391	870,671	54,349	934,411
Total liabilities and owner’s equity	187,892	26,153,061	681,568	27,022,521
FX position on statement of financial position	1,580	1,217,274	(360,002)	858,852
FX position off-statement of financial position	1,347	(1,986,311)	434,069	(1,550,895)
Net on, off-statement of financial position FX position	2,927	(769,037)	74,067	(692,043)

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

47. RISK MANAGEMENT POLICIES (continued)

47.3 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:

- Complying with the regulations of the SBV and its internal regulations on the internal control system over liquidity risk management. It has outstanding organizational structure of 3 lines of defense; in which the first line is managed in parallel by 02 functions: Balance Sheet Management (BSM) and Asset Liability Management (ALM) on a daily basis;
- Always maintaining a portfolio of highly liquid assets which are managed according to market value and ability to convert into cash to ensure liquidity required under normal and stressed conditions;
- Managing and monitoring intraday liquidity; identifying funding sources and ability to mobilize these sources to meet daily payment needs; forecasting situations that cause abnormal changes in liquidity during the day and implementing timely and effective handling measures;
- Always focus on diversifying funding sources, ensuring ability to access the active market and understanding the correlation of credit risk, market risk and other key risks that impact on the its liquidity;
- Establishing liquidity risk management limits in accordance with the SBV’s regulations and issue a contingency funding plan (CFP) based on the results of a liquidity stress test in a normal scenarios and adverse scenarios;
- Using internal fund transferring price and liquidity premium component (Liquidity Premium) in the internal fund transfer pricing mechanism (FTP) flexibly to regulate liquidity and term structure in each period.

Principles for classifying and measuring liquidity risk status through the maturity table of assets and liabilities recorded on the statement of financial position as follows:

- 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 highly liquid and can be transferred immediately within 1 month;
 - The maturity of securities is calculated based on investment purposes:
 - + Securities held for trading; available-for-sale securities, which are listed on the stock exchanges or registered on the unlisted stock market, 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 fixed asset investments, capital contribution and share purchase are considered long-term because these investments do not have specific maturity date;
- 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 derivative contracts (Swap, Forward) is determined based on the contractual term of the transaction net basis of clearing between cash inflows and outflows;
- The maturity of other assets and other liabilities is classified according to the payment characteristics of each item.
- For assets and liabilities whose expected payment date/due date cannot be determined, the Bank determines the maturity date according to the conservatism principle. Accordingly, it is considered long-term (over 1 year) for cash inflows and short term (less than 3 months) for cash outflows.

47. RISK MANAGEMENT POLICIES (continued)

47.3 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

	Overdue		Current				Above 5 years	Total
	Above 3 months	Up to 3 months	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years		
Assets								
Cash, gold and gemstones	-	-	939,629	-	-	-	-	939,629
Balances with the SBV	-	-	4,589,199	-	-	-	-	4,589,199
Due from banks (*)	-	-	51,095,444	5,382,986	4,463,091	208,173	-	61,149,694
Loans to customers and debts purchased (*)	4,280,640	2,630,902	16,099,298	18,078,781	41,275,807	44,302,419	22,477,539	149,145,386
Investment securities (*)	28,385	376,000	1,030,000	8,067,789	3,425,000	9,598,000	15,372,316	37,897,490
Long-term investment (*)	-	-	-	-	-	-	10,036	10,036
Fixed assets	-	-	-	-	-	-	402,736	402,736
Other assets (*)	10,527	-	1,137,435	2,776,311	2,626,795	596,650	8,147,464	15,295,182
Total assets	4,319,552	3,006,902	74,891,005	34,305,867	51,790,693	54,705,242	46,410,091	269,429,352
Liabilities								
Borrowings from the Government and the SBV	-	-	2,665	-	1,001,666	8,202	-	1,012,533
Due to banks	-	-	65,073,345	7,516,642	10,056,167	2,907,360	-	85,553,514
Derivative financial instruments	-	-	101,067	14,332	37,906	110,051	-	263,356
Customer deposits	-	-	62,983,382	19,248,615	45,727,018	4,391,043	73	132,350,131
Valuable papers issued	-	-	85,215	2,006,200	400,000	6,500,000	-	8,991,415
Other liabilities (*)	-	-	3,744,559	1,158,265	1,399,473	1,233,261	1,119	7,536,677
Total liabilities	-	-	131,990,233	29,944,054	58,622,230	15,149,917	1,192	235,707,626
Net liquidity gap	4,319,552	3,006,902	(57,099,228)	4,361,813	(6,831,537)	39,555,325	46,408,899	33,721,726

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

48. SUPPLEMENTARY DISCLOSURE OF FINANCIAL ASSETS AND LIABILITIES

On 06 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 01 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.

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

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.

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 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.

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

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.

The table below summarizes the carrying amount and fair value of financial assets and liabilities of the Bank as at 31 December 2023:

	Carrying value						
	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	Fair value VND million
Cash, gold and gemstones	939,629	-	-	-	-	939,629	939,629
Balances with the SBV	-	-	4,589,199	-	-	4,589,199	(*)
Due from banks	-	-	61,149,694	-	-	61,149,694	(*)
Loans to customers and debts purchased	-	-	149,145,386	-	-	149,145,386	(*)
Available-for-sale securities	-	-	-	37,897,490	-	37,897,490	(*)
Other long-term investments	-	-	-	10,036	-	10,036	(*)
Other financial assets	-	-	14,504,691	-	-	14,504,691	(*)
	<u>939,629</u>	<u>-</u>	<u>229,388,970</u>	<u>37,907,526</u>	<u>-</u>	<u>268,236,125</u>	
Borrowings from the Government and the SBV	-	-	-	-	1,012,533	1,012,533	(*)
Due to banks	-	-	-	-	85,553,514	85,553,514	(*)
Customer deposits	-	-	-	-	132,350,131	132,350,131	(*)
Derivative financial instruments	263,356	-	-	-	-	263,356	(*)
Valuable papers issued	-	-	-	-	8,991,415	8,991,415	(*)
Other financial liabilities	-	-	-	-	6,009,132	6,009,132	(*)
	<u>263,356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,916,725</u>	<u>234,180,081</u>	

(*) 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.

49. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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 consolidated financial statements.

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

	31 December 2023 VND	31 December 2022 VND
USD	24,228	23,600
EUR	26,930	25,261
GBP	30,940	28,800
CHF	28,833	25,618
JPY	172	179
SGD	18,399	17,578
CAD	18,380	17,463
AUD	16,630	16,282

Prepared by:

Ms. **Nguyen Bao Ngoc**
Head of Financial Reporting

Hanoi, Vietnam
28 March 2024

Reviewed by:

Ms. **Phung Thuy Nhung**
Chief Accountant

Approved by:

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

OPERATIONS NETWORK

51



PROVINCES & CITIES
NATIONWIDE

263



BRANCHES &
TRANSACTION OFFICES

285



ATMs
(including 5 STM machines)



- | | | | |
|----|-----------------|----|------------------|
| 1 | An Giang | 27 | Kien Giang |
| 2 | Ba Ria Vung Tau | 28 | Kon Tum |
| 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 | Dak Lak | 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 | Hue | 50 | Vinh Long |
| 25 | Hung Yen | 51 | Vinh Phuc |
| 26 | Khanh Hoa | | |