



CỘNG HOÀ XÃ HỘI CHỦ NGHĨA VIỆT NAM

Độc lập - Tự do - Hạnh phúc

THE SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom - Happiness

Số/No: MD/MB-HOOT

V/v: công bố thông tin báo cáo tài chính riêng
và hợp nhất quý IV năm 2024

Hà Nội, ngày 24 tháng 01 năm 2025

Hà Nội, 24th Jan 2025

Re: *disclosure of information of Separated &
Consolidated Financial Statements for fourth
quarter of 2024*

Kính gửi/To:

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

Công ty/Company:

Ngân hàng TMCP Quân đội /
Military Commercial Joint Stock Bank

Mã chứng khoán/
Securities symbol

MBB

Địa chỉ trụ sở chính/
Head office address

Số 18 Lê Văn Lương, Phường Trung Hòa, Quận Cầu Giấy, Hà Nội
No 18 Le Van Luong, Trung Hoa Ward, Cau Giay District, Hanoi

Điện thoại/Telephone:

024.6266.1088

Fax:

024.6266.1080

Người thực hiện công bố
thông tin/ *Submitted by:*

Ông/Mr. Lưu Trung Thái

Chức vụ/Position:

Chủ tịch HĐQT / *BOD Chairman*

Loại thông tin công bố/
*Type of Information
disclosure*

☒ định kỳ/periodic

☐ bất thường/irregular

☐ 24 giờ/ hours

☐ theo yêu cầu/on demand

Nội dung thông tin công bố: Báo cáo tài chính riêng và hợp nhất quý IV năm 2024

*Content of Information disclosure: Separated & Consolidated Financial Statements for
4th Quarter of 2024*

Thông tin trên đã được công bố trên trang thông tin điện tử MB www.mbbank.com.vn

- Mục Nhà đầu tư – Phần Thông báo.

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

Head office

NGÂN HÀNG TMCP QUÂN ĐỘI
Số 18 Lê Văn Lương, Phường Trung Hòa
Quận Cầu Giấy, Hà Nội

Contact us

Điện thoại: (024) 6266 1088
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Ngân hàng TMCP Quân đội xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố.

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

Trân trọng cảm ơn!

Best Regards!

Nơi nhận/ Recipients:

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

CHỦ TỊCH HỘI ĐỒNG QUẢN TRỊ
BOD CHAIRMAN



Lưu Trung Thái

Head office

NGÂN HÀNG TMCP QUÂN ĐỘI
Số 18 Lê Văn Lương, Phường Trung Hòa
Quận Cầu Giấy, Hà Nội

Contact us

Điện thoại: (024) 6266 1088
Fax: (024) 6266 1080
www.mbbank.com.vn



Military Commercial Joint Stock Bank

B02a/TCTD-HN

Address: 18 Le Van Luong street – Trung Hoa ward – Cau Giay district – Ha Noi

CONSOLIDATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

			31/12/2023 (Audited)
	Notes	31/12/2024 VND million	VND million
ASSETS			
Cash, gold and gemstones	III.1	3,349,166	3,675,394
Balances with the State Banks	III.2	29,825,253	66,321,652
Placements with and loans to other credit institutions	III.3	76,785,622	46,343,813
Securities held for trading	III.4	7,931,655	44,250,788
Securities held for trading		7,931,834	44,251,400
Provision for securities held for trading		(179)	(612)
Derivatives and other financial assets	III.18	-	141,294
Loans to customers		765,047,985	599,579,267
Loans to customers	III.5	776,657,846	611,048,830
Provision for credit losses on loans to customers	III.6	(11,609,861)	(11,469,563)
Debt purchase	III.7	951,509	1,789,868
Debt purchase		1,041,362	1,848,863
Provision for debt purchase		(89,853)	(58,995)
Investment Securities	III.8	209,637,377	147,923,205
Available-for-sale securities	III.8.1	205,507,956	143,010,711
Held-to-maturity securities	III.7.2	4,612,504	5,387,952
Provision for investment securities		(483,083)	(475,458)
Long-term investments	III.9	609,477	615,785
Other long-term investments	III.9.1	775,670	779,587
Provision for long-term investments		(166,193)	(163,802)
Fixed assets		5,430,416	4,854,186
Tangible fixed assets	III.10	3,750,696	3,194,404
Cost		9,014,672	7,732,608
Accumulated depreciation		(5,263,976)	(4,538,204)
Intangible fixed assets	III.11	1,679,720	1,659,782
Cost		4,976,669	4,196,144
Accumulated amortization		(3,296,949)	(2,536,362)
Investment Properties	III.12	234,115	240,294
Cost		260,415	260,415
Accumulated depreciation		(26,300)	(20,121)
Other assets		28,998,487	29,218,094
Receivables	III.13	14,360,628	14,289,084
Accrued interest and fee receivables		8,918,622	8,668,557
Deferred tax assets		38,912	28,710
Other assets	III.14	5,873,749	6,406,669
In which: Goodwill		9,523	19,045
Provision for other assets		(193,424)	(174,926)
TOTAL ASSETS		1,128,801,062	944,953,640

Military Commercial Joint Stock Bank

B02a/TCTD-HN

Address: 18 Le Van Luong street – Trung Hoa ward – Cau Giay district – Ha Noi

CONSOLIDATE STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

		31/12/2024	31/12/2023 (Audited)
	Notes	VND million	VND million
LIABILITIES			
Due to the Government and the State Bank	III.15	8,156,285	8,738
Deposits and borrowings from other credit institutions	III.16	110,169,585	99,810,466
Customer deposits	III.17	714,154,479	567,532,577
Derivatives and other financial liabilities	III.18	191,545	-
Other borrowed and entrusted funds	III.19	2,793,453	2,799,863
Valuable papers issued	III.20	128,964,033	126,463,110
Other liabilities		47,312,101	51,627,727
Interest and fee payables		9,899,902	13,390,191
Other payables	III.21	37,411,147	38,236,542
Provision for other liabilities		1,052	994
TOTAL LIABILITIES		1,011,741,481	848,242,481
OWNERS' EQUITY			
Owners' capital	III.22	56,295,833	54,938,426
Charter capital		53,063,241	52,140,841
Share premium		1,304,334	869,327
Other capital		1,928,258	1,928,258
Reserves		14,996,847	12,193,931
Foreign exchange difference		137,797	45,939
Retained profits		40,718,224	25,559,753
NON-CONTROLLING INTEREST		4,910,880	3,973,110
TOTAL OWNERS' EQUITY		117,059,581	96,711,159
TOTAL LIABILITIES AND OWNERS' EQUITY		1,128,801,062	944,953,640

Military Commercial Joint Stock Bank

B02a/TCTD-HN

Address: 18 Le Van Luong street – Trung Hoa ward – Cau Giay district – Ha Noi

CONSOLIDATE STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

OFF-BALANCE SHEET ITEMS

		31/12/2024	31/12/2023
	Notes	VND million	(Audited) VND million
CONTINGENT LIABILITIES AND COMMITMENTS	V.1		
Credit guarantees		238,395	154,358
Foreign exchanges commitments		263,133,210	394,715,794
- Foreign exchange commitments - buy		4,416,403	1,945,064
- Foreign exchange commitments - sell		4,492,239	1,423,038
- Cross currency swap contracts - buy		127,747,604	195,798,455
- Cross currency swap contracts - sell		126,476,964	195,549,237
Letters of credit commitments		29,138,440	23,214,316
Other guarantees		135,649,614	121,825,143
Other commitments		72,142,229	81,444,111

Prepared by:

Reviewed by:

Approved by:

[Handwritten signature]

Le Thi Huyen Trang
Director of Accounting Center
Ha Noi, Viet Nam
24 January 2025



Dang Thuy Dung
Chief Accountant

Ashe

Nguyen Thi Thanh Nga
Chief Financial Officer



Phạm Nhu Anh
Chief Executive Officer

Pham Nhu Anh
Chief Executive Officer

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Military Commercial Joint Stock Bank

Address: 18 Le Van Luong street – Trung Hoa ward – Cau Giay district – Ha Noi

B03a/TCTD-HN

CONSOLIDATE STATEMENT OF INCOME

Quarter IV/2024

	Notes	Movement in Quarter IV		Accumulated	
		This year	Last year	This year	Last year
		VND million	VND million	VND million	VND million
Interest and similar income		18,452,076	16,996,661	69,061,893	69,143,043
Interest and similar expenses		(7,309,898)	(7,833,169)	(27,909,674)	(30,459,195)
Net interest and similar income	IV.1	11,142,178	9,163,492	41,152,219	38,683,848
Fee and commission income		4,149,237	3,758,643	14,602,602	13,137,624
Fee and commission expenses		(2,968,479)	(2,302,925)	(10,234,353)	(9,052,399)
Net fee and commission income	IV.2	1,180,758	1,455,718	4,368,249	4,085,225
Net gain from trading of foreign currencies	IV.3	484,636	289,721	2,000,164	1,209,825
Net gain from securities held for trading	IV.4	118,195	196,087	1,756,022	541,566
Net gain from investment securities and long-term investments	IV.4	2,412,338	(124,027)	2,803,105	300,404
Net gain from other activities	IV.5	1,203,045	761,479	3,280,820	2,428,111
Income from capital contribution, share acquisition	IV.6	22,361	7,890	52,643	57,083
TOTAL OPERATING INCOME		16,563,511	11,750,360	55,413,222	47,306,062
TOTAL OPERATING EXPENSES	IV.7	(5,246,555)	(3,875,911)	(17,007,250)	(14,912,941)
Net profit before provision for credit losses		11,316,956	7,874,449	38,405,972	32,393,121
Provision expenses for credit losses	IV.9	(3,223,836)	(1,587,177)	(9,576,644)	(6,087,032)
PROFIT BEFORE TAX		8,093,120	6,287,272	28,829,328	26,306,089
Current corporate income tax expense		(1,715,348)	(1,256,516)	(5,888,266)	(5,269,869)
Deferred corporate income tax income		3,850	14,332	10,202	17,572
Corporate income tax expense	IV.11	(1,711,498)	(1,242,184)	(5,878,064)	(5,252,297)
PROFIT AFTER TAX		6,381,622	5,045,088	22,951,264	21,053,792
Non-controlling interest		97,468	58,722	317,507	377,004
PROFIT AFTER TAX OF THE BANK		6,284,154	4,986,366	22,633,757	20,676,788

Prepared by:

Reviewed by:

Approved by:



Le Thi Huyen Trang
Director of Accounting Center
Ha Noi, Viet Nam
24 January 2025



Dang Thuy Dung
Chief Accountant



Nguyen Thi Thanh Nga
Chief Financial Officer




Phạm Nhu Anh
Chief Executive Officer

Military Commercial Joint Stock Bank

Address: 18 Le Van Luong street – Trung Hoa ward – Cau Giay district – Ha Noi

B04a/TCTD-HN

CONSOLIDATE STATEMENT OF CASH FLOWS (Direct method)

As at 31 December 2024

		From 01/01/2024 to 31/12/2024	From 01/01/2023 to 31/12/2023
	Notes	VND million	VND million
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest and similar receipts		68,529,262	66,891,390
Interest and similar payments		(30,835,949)	(24,699,677)
Net fee and commission receipts		4,368,249	4,085,225
Net receipts/(payments) from trading activities (foreign currencies, gold and securities)		6,277,842	2,363,720
Other income/(expenses)		822,333	713,381
Recoveries from bad debts previously written-off		2,451,560	1,711,016
Payments for administrative, operating and salary expenses		(15,627,426)	(14,652,520)
Corporate income tax paid during the year	IV.10	(6,021,975)	(5,078,090)
Net cash flows from operating profit before changes in operating assets and liabilities		29,963,896	31,334,445
Changes in operating assets		(204,555,002)	(179,550,446)
(Increase)/decrease in placements with and loans to other credit institutions		(5,674,464)	861,466
(Increase)/decrease in trading securities		(25,402,231)	(28,561,040)
(Increase)/decrease in derivatives and other financial assets		141,294	(71,791)
(Increase)/decrease in loans to customers and debt purchase		(164,801,515)	(151,303,313)
Utilization of provision to write off loans to customers, securities, long-term investments and other receivables		(9,431,151)	(6,633,346)
(Increase)/decrease in other assets		613,065	6,157,578
Changes in operating liabilities		156,655,051	189,510,613
Increase/(decrease) in dues to the Government and the State Bank		8,147,547	(23,051)
Increase/(decrease) in deposits and borrowings from other credit institutions		10,359,119	34,693,687
Increase/(decrease) in customer deposits		146,621,902	123,926,939
Increase/(decrease) in valuable papers issued (except for valuable papers issued for financing activities)		(6,904,631)	26,435,985
Increase/(decrease) in other borrowed and entrusted funds		(6,410)	797,141
Increase/(decrease) in derivatives and other financial liabilities		191,545	
Increase/(decrease) in other liabilities		(1,405,732)	3,929,292
Payments from reserves		(348,289)	(249,380)
Net cash flows used in operating activities		(17,936,055)	41,294,612
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Purchase of fixed assets, investment properties		(2,301,696)	(1,655,386)
Proceeds from disposal of fixed assets		6,927	3,714
Proceeds from/(payment for) investments in other entities (disposal of/(payments for investments in) subsidiaries, ventures and other long-term investments)		3,917	(10,824)
Dividends and profits received from long-term investments and capital contribution		52,643	57,083
Net cash flows used in investing activities		(2,238,209)	(1,605,413)

Military Commercial Joint Stock Bank

Address: 18 Le Van Luong street – Trung Hoa ward – Cau Giay district – Ha Noi

B04a/TCTD-HN

CONSOLIDATE STATEMENT OF CASH FLOWS (Continued)

As at 31 December 2024

	Notes	From 01/01/2024 to 31/12/2024	From 01/01/2023 to 31/12/2023
		VND million	VND million
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in share capital from capital contribution and/or share issuance		1,357,407	-
Proceeds from issuance of long-term valuable papers are eligible to be included in equity capital and other long-term loans		9,405,554	3,449,000
Dividends paid during the period		(2,643,542)	(2,266,993)
Net cash flows from financing activities		8,119,419	1,182,007
Net cash flows for the period		(12,054,845)	40,871,206
Cash and cash equivalents at the beginning of the year		109,095,118	68,223,912
Cash and cash equivalents at the end of the period	IV.12	97,040,273	109,095,118

Prepared by:

Reviewed by:

Approved by:

Le Thi Huyen Trang
Director of Accounting Center

Dang Thuy Dung
Chief Accountant

Nguyen Thi Thanh Nga
Chief Financial Officer

Pham Nhu Anh
Chief Executive Officer

Ha Noi, Viet Nam
24 January 2025

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
QUARTER IV/2024 AND YEAR ENDED 31/12/2024

I- OPERATION FEATURES OF CREDIT INSTITUTION

1. License for establishment and operation, and valid duration

Military Commercial Joint Stock Bank ("the Bank") is a joint stock commercial bank incorporated in the Socialist Republic of Vietnam with principal activities are to perform banking and related financing services under Operating Licence No. 100/GP-NHNN granted by the Governor of the State Bank of Vietnam ("the SBV") dated 16 October 2018, replacing Operating Licence No. 0054/NH-GP dated 14 September 1994. The Operating duration under the licence is 99 years since 14 September 1994.

2. Ownership type: Joint-Stock

3. Board of Directors

<i>Full name</i>	<i>Position</i>
Mr. Luu Trung Thai	Chairman
Ms. Vu Thi Hai Phuong	Vice Chairman
Ms. Nguyen Thi Hai Ly	Vice Chairman (Appointed on 15 June 2024)
Mr. Vu Thanh Trung	Vice Chairman (Appointed on 15 June 2024)
Mr. Do Minh Phuong	Vice Chairman (Resigned on 15 June 2024)
Mr. Pham Nhu Anh	Member (Appointed on 15 June 2024)
Mr. Le Viet Hai	Member
Ms. Vu Thai Huyen	Member
Mr. Pham Doan Cuong	Member (Appointed on 15 June 2024)
Ms. Hoang Thi Thu Hien	Member (Appointed on 15 June 2024)
Mr. Vu Xuan Nam	Member (Appointed on 15 June 2024)
Ms. Nguyen Thi Thuy	Member (Resigned on 15 June 2024)
Ms. Nguyen Thi Ngoc	Member (Resigned on 15 June 2024)
Mr. Kieu Dang Hung	Member (Resigned on 15 June 2024)
Mr. Ngo Minh Thuan	Member (Resigned on 15 June 2024)
Mr. Hoang Van Sam	Independent Member (Appointed on 15 June 2024)
Mr. Tran Trung Tin	Independent Member (Resigned on 15 June 2024)

4. Board of Supervision

<i>Full name</i>	<i>Position</i>
Ms. Le Thi Loi	Head of Board of Supervision
Ms. Nguyen Thi An Binh	Deputy Head of Board of Supervision
Ms. Do Thi Tuyen Mai	Member
Ms. Nguyen Thi Nguyet Ha	Member (Appointed on 15 June 2024)
Mr. Do Van Tien	Member (Appointed on 15 June 2024)
Mr. Do Van Hung	Member (Resigned on 15 June 2024)

5. Board of Management

<i>Full name</i>	<i>Position</i>
Mr. Pham Nhu Anh	Chief Executive Officer ("CEO")
Ms. Nguyen Minh Chau	Deputy CEO
Ms. Pham Thi Trung Ha	Deputy CEO
Mr. Tran Minh Dat	Deputy CEO
Mr. Ha Trong Khiem	Deputy CEO
Mr. Le Quoc Minh	Deputy CEO
Mr. Nguyen Xuan Hoc	Deputy CEO (Appointed on 02 July 2024)
Mr. Le Xuan Vu	Member (Resigned on 10 December 2024)

<i>Full name</i>	<i>Position</i>
Ms. Tran Thi Bao Que	Member
Mr. Vu Hong Phu	Member
Mr. Vu Thanh Trung	Member (Resigned on 10 December 2024)
Ms. Nguyen Thi Ngoc	Member (Appointed on 15 June 2024)
Ms. Nguyen Thi Thuy	Member (Appointed on 15 June 2024)
Ms. Nguyen Thi Thanh Nga	Chief Financial Officer

6. Bank's Head Office: No. 18 Le Van Luong Street, Trung Hoa Ward, Cau Giay District, Hanoi, Vietnam

Branches: 1 Head Office, 110 branches (Including 1 foreign branch), 209 transaction offices and 1 representative office in Russia.

As at 31 December 2024, the Bank has subsidiaries were consolidated as follows:

<i>No.</i>	<i>Subsidiaries</i>	<i>Operating licence No.</i>	<i>Nature of business</i>	<i>Ownership</i>
1	Military Bank Asset Management Company Limited ("MB AMC")	0105281799 issued by the Hanoi City Department for Planning and Investment dated 11 September 2002	Debt management and assets usage	100.00%
2	MB Securities Joint Stock Company ("MBS")	116/GP-UBCK by the State Securities Commission of Vietnam dated 9 December 2013	Securities	76.35%
3	MB Capital Management Joint Stock Company ("MB Capital")	21/UBCK-GPDCQLQ issued by the State Securities Commission of Vietnam dated 15 November 2007	Investment fund management	90.77%
4	MB Shinsei Finance Limited Liability Company ("MCredit")	27/GP-NHNN issued by the State Bank of Vietnam dated 4 February 2016	Consumer finance	50.00%
5	MB Ageas Life Insurance Company Limited ("MBAL")	74/GP/KDBH issued by the Ministry of Finance dated 21 July 2016	Life insurance, health insurance and financial investment	61.00%
6	Military Insurance Corporation ("MIC")	43/GP/KDBH issued by the Ministry of Finance dated 8 October 2007	Non-life insurance	68.37%
7	MB Bank Cambodia PLC. ("MBCambodia")	MOC-00021616 issued by Ministry of Commercial of Cambodia (MOC) dated 2 January 2023	Commercial Bank	100.00%

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

7. Employees

As at 31 December 2024, the Bank and subsidiaries has **18,639** employees

II- APPLIED ACCOUNTING STANDARDS AND SYSTEM

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

The Board of Management confirms that the accompanying separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for credit institutions and the statutory requirements relevant to preparation and presentation of financial statements.

2. Basis of preparation the financial statements

Consolidate financial statements of MB are presented in Vietnamese Dong ("dong" or "VND"), prepared in accordance with the Accounting System for Credit Institutions in Vietnam under Decision No. 479/2004/QĐ-NHNN dated 29th April 2004 (Decision 479/2004) by the Governor of the State Bank of Vietnam and amending and supplementing to the Decision 479/2004, Decision No. 16/2007/QĐ-NHNN dated 18th April 2007 (Decision 16/2007) by the Governor of the State Bank of Vietnam, amending and supplementing to the Decision 16/2007 and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

Accordingly, the accompanying Consolidate 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 Consolidate financial position and Consolidate results of operations and Consolidate cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam

Items that are not presented in these Consolidate financial statements regarding the financial reporting regime for credit institutions as required by Decision No. 16/2007/QĐ-NHNN and amending and supplementing regulations issued by the SBV indicate nil balance.

3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries for the period ended 31 December 2024.

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 in compliance with applicable consolidation regulation.

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 not owned by MB and are presented separately in the consolidated statement of income and within equity in the consolidated statement of financial position.

4. Basis for assessment and applied accounting estimates

The preparation of the Consolidate financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the income, expenses and the resultant provisions. 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 items.

5. Changes in accounting policies and disclosures

MB's accounting policies are applied consistently among annual and financial reporting periods, excluding:

- ▶ Law on Credit Institutions 2024 dated 18 January 2024, effective from 1 July 2024 ("Law on Credit Institutions").
- ▶ Circular No. 31/2024/TT-NHNN effective from 1 July 2024 regulating the classification of assets in the operations of commercial banks, non-bank credit institutions and foreign bank branches ("Circular 31"); Decree 86/2024/ND-CP effective from 11 July 2024 regulating the level and method for making provision for credit losses, and the use of provisions to handle risks in the operation of credit institutions and foreign bank branches and in case the credit institution allocates interest receivables that must be divested ("Decree 86") replaces Circular 11/2021/TT-NHNN regulating the classification of assets, the level of provision, method of provisioning for risk provisions and the use of provisions to handle risks in the operations of credit institutions, foreign bank branches ("Circular 11").
- ▶ Circular No. 21/2024/TT-NHNN effective from 01 July 2024 regulating credit letter operations and other business activities related to letters of credit ("Circular 21").

MB shall prospectively apply regulations of the Law on Credit Institutions, Circular 31, Decree 86 and Circular 21 from effective dates of these documents.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash, gold, gemstones, current accounts at the SBV, Government bills and other short-term valuable papers which can be rediscounted with the SBV, securities, current placements with and deposit at other credit institutions with an original maturity of three months or less from the transaction date, which are highly liquid and readily convertible into certain amounts of cash and that are subject to an insignificant risk of change in value.

7. Placements with and loans to other credit institutions

Deposits with and loans to other credit institutions are stated and presented at the principal amounts outstanding at the reporting date.

The credit risk classification for placements with and loans to other credit institutions and corresponding provisions is made in accordance with Circular 31 and Degree 86. Accordingly, Bank makes a specific provision for placements with (excluding current accounts) and loans to other credit institutions in accordance with the method described in Note 9.

According to Degree 86/2024, Bank is not required to make a general provision for placements with and loans to other credit institutions.

8. Loans to customers

Loans to customers are presented at the principal amounts outstanding at the reporting date.

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

Short-term loans have maturity of less than 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.

The classification of loan and provision for credit losses are made in accordance with Circular 31 and Degree 86 as described in Note 9.

9. Provision for credit risk

Loan classification

MB classifies debts into the following groups: Current loan, Special mention loan, Sub-standard loan, Doubtful loan and Loss which are specified in Circular 31. Debts which are classified as Sub-standard loan, Doubtful loan and Loss are considered nonperforming debts.

Debts are classified according to quantitative methods specified in Articles 10 Circular 31.

- ▶ If a customer has more than one debt with MB and any of the outstanding debts is classified into a higher risk group, the entire remaining debts of such customer should be classified into the corresponding higher risk group.
- ▶ MB have been required to use the updated information from Credit Information Centre ("CIC") on the loan group of customers at the time of classification to adjust the classification results of their debts and off-balance sheet items.
- ▶ At the same time, MB also applied the regulations on restructuring and retention of the latest debt classification for the loans that meet the requirements of Decree No. 55/2015/ND-CP ("Decree 55") dated 9 June 2015 on credit policy for agricultural and rural development and the regulations amending and supplementing Decree 55.
- ▶ MB also applies the regulations on loan restructuring and retention of the latest debt classification for the loans that meet the requirements of Circular No. 01/2020-TT-NHNN ("Circular 01/2020") issued by the SBV dated 13 March 2020 providing guidance for credit institutions and foreign bank branches on loan restructuring, exemption or reduction of interest and fees and retention of loan classification group to assist the borrowers affected by Covid-19 pandemic, Circular No. 03/2021/TT-NHNN ("Circular 03/2021") issued by the SBV on 2 April 2021 amending and supplementing a number of articles of Circular 01/2020, Circular No. 14/2021/TT-NHNN ("Circular 14/2021") issued by the SBV on 7 September 2021 amending and supplementing a number of articles of Circular 01/2020, Circular No. 02/2023/TT-NHNN ("Circular 02/2023") issued by the SBV on 23 April 2023 providing guidance for credit institutions and foreign bank branches on loan restructuring and retention of loan classification group to assist the borrowers in difficulties and Circular No. 06/2024/TT-NHNN ("Circular 06/2024") issued by the SBV on 18 June 2024 amending and supplementing a number of articles of Circular 02/2023.
- ▶ MB also applies Circular No. 53/2024/TT-NHNN ("Circular 53") issued by the SBV dated 4 December 2024 providing guidance for credit institutions and foreign bank branches on loan restructuring for borrowers in difficulties due to the impacts and damages of storm No. 3, floods and landslides afterward storm No. 3 and Decision of the Prime Minister No. 1510/QĐ-TTg issued on December 4, 2024 on asset classification, risk provisioning level, risk provisioning method and the use of provisions to handle risks for debts of customers facing difficulties due to the impacts and damages of storm No. 3

Specific provision

According to Circular 11 (before 1 July 2024) and Decree 86 (from 11 July 2024), the specific provision of bank is determined by the outstanding balance after deducting the value of the deducted collateral multiplied by the rate of provision according to the result of loan group classification in accordance with Circular 31.

Specific provisions for each debt group are as follows:

Group		Loan classification using the quantitative method	Provision rate
1	Current	(a) Unmatured debts rated likely to be fully recovered in terms of both principal and interest by due dates; or (b) Debts that are less than 10 days overdue and are rated likely to be fully recovered in terms of delinquent principal and interest, and likely to be fully recovered in terms of the remaining principal and interest by due dates. (c) Debts classified into group 1 as provided in Clause 2, Article 10 of Circular 31.	0%
2	Special Mention	(a) Debts are overdue for a period between 10 days and 90 days; or (b) Debts with first-time adjusted repayment terms that are unmatured. (c) Debts are classified into group 2 as provided in Clause 2, Clause 3, Article 10 of Circular 31.	5%
3	Sub-standard	(a) Debts which are from 91 days to 180 days overdue; or (b) Debts with first-time extended repayment terms that are unmatured; or (c) Debts on which interest are exempted or reduced due to the borrower's inability to pay in full as agreed upon; or (d) Debts falling in one of the following cases that have not yet been recovered within less than 30 days from the effective dates of recovery decisions: <ul style="list-style-type: none"> ▪ Those violating provisions laid down in clauses 1, 3, 4, 5 and 6 of Article 134 in the Law on Credit Institutions; or ▪ Those violating provisions are laid down in clause 1,2, 3, 4 of Article 135 in the Law on Credit Institutions; or ▪ Those violating provisions are laid down in clause 1, 2, 5 and 9 of Article 136 in the Law on Credit Institutions. (e) Debts within the recovery period according to inspection and examination conclusions; or (f) Debts are required to be recovered according to the early debt recovery decision of a bank or non-bank credit institution due to the customer's violation of the agreement with MB or non-bank credit institution have not been recovered for less than 30 days from the date of the recovery decision; or (g) Debts are classified into group 3 as provided in Clause 2, Clause 3, Article 10 of Circular 31; or (h) Debts must be classified into group 3 according to regulations in Clause 4, Article 8 of Circular 31.	20%
4	Doubtful	(a) Debts are from 181 days to 360 days overdue; or (b) Debts with first-time rescheduled repayment terms that are up to 90 days past due from the first-time rescheduled maturity dates; or (c) Debts with second-time rescheduled repayment terms that are unmatured; 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 under regulatory inspection conclusions but still outstanding with an overdue period of more than	50%

Group		Loan classification using the quantitative method	Provision rate
		60 days since the recovery date as required by regulatory inspection conclusions; or (f) Debts are required to be recovered according to the early debt recovery decision of a bank or non-bank credit institution due to the customer's violation of the agreement with MB or non-bank credit institution have not been recovered from 30 to 60 days from the date of the recovery decision; or (g) Debts are classified into group 4 as provided in Clause 2, Clause 3, Article 10 of Circular 31; or (h) Debts are classified into group 4 as provided in Clause 4, Article 8 of Circular 31.	
5	Loss	(a) Debts are overdue for a period of more than 360 days; or (b) Debts which the repayment terms are restructured for the first time but still overdue for a period of 91 days or more under that first restructured repayment term; or (c) Debts which the repayment terms are restructured for the second time but still overdue under that second restructured repayment term; or (d) Debts which the repayment terms are restructured for the third time or more, regardless of being overdue or not; 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 early debt recovery decision of a bank or non-bank credit institution due to the customer's violation of the agreement with MB or non-bank credit institution have not been recovered for more than 60 days from the date of the recovery decision; or (h) Debts of credit institution that is under special control, a foreign bank branch whose capital and assets are being frozen; or (i) Debts are classified into group 5 as provided in Clause 3, Article 10 of Circular 31. (j) Debts are classified into group 5 as provided in Clause 4, Article 8 of Circular 31.	100%

The basis for determining the value and deductible value of each type of collateral is specified in Decree 86.

MB makes specific provision for customers whose debts are rescheduled, exempt or reduce interest rate in accordance with Circular 03/2021 as follows:

- Determine specific provision shall be made for all outstanding debt of borrowers according to the results of debt classification according to Circular above: (A)
- Determine specific provision for outstanding debts of the debt group which are kept unchanged according to Circular 03/2021 and the remaining debts of borrowers according to Circular above: (B)
- Additional specific provision (C) = (A) – (B) shall be determined as follows:
 - By 31/12/2021: At least 30% of the additional specific provision;
 - By 31/12/2022: At least 60% of the additional specific provision;
 - By 31/12/2023: 100% of the additional specific provision.

In addition, MB makes specific provisions for customers whose debts are rescheduled in accordance with Circular 02/2023 and Circular 06/2024 as follows:

- Determine specific provision shall be made for all outstanding debt of borrowers according to the results of debt classification: (A)
- Determine specific provision for outstanding debts of the debt group which are kept unchanged and the remaining debts of borrowers according to Circular above: (B)
- Additional specific provision (C) = (A) – (B) shall be determined as follows:
 - By 31/12/2023: At least 50% of the additional specific provision;
 - By 31/12/2024: 100% of the additional specific provision.

General provision

General provision is appropriated at the rate of 0.75% of the total debt balance from group 1 to group 4 in accordance with debts classification under Circular 11 (before 1 July 2024) and Circular 31/2024 (from 11 July 2024) excluding placements with and loans to other credit institutions and loans classified as loss. General provision as at 31 December 2024 is calculated based on the results of debt classification and principal balance as at 31 December 2024.

Bad debts written off

Provisions are recognized as an expense on the Consolidate statement of income and used to write-off bad debts. According to Degree 86, MB establishes a Risk Handling Committee to deal with bad debts if they are classified in Group 5 or if the borrower is a dissolved, bankrupt organization or individual who is dead or missing.

10. Debt purchase, sale

Debt purchase and sale of MB are recorded in accordance with Circular 09/2015/TT-NHNN ("Circular 09/2015") and Circular 18/2022/TT-NHNN ("Circular 18/2022") of SBV regulating debt purchase and sale by credit institutions, foreign bank branches.

- ▶ Book value of a purchased and sold debt includes the book value of debt principal and interest and other debt-related financial obligations (if any) by the time of debt purchase and sale for the debt accounted on the balance sheet or off the balance sheet; or the book value being monitored at the time of being removed off the balance sheet or at the time of debt purchase and sale for the debt being removed off the Consolidate statement of financial position.
- ▶ Debt purchase and sale price means a sum of money to be paid by a debt purchaser to a debt seller under a debt purchase and sale contract.

Debt purchase

For the purchased debts, MB classifies the paid amount into a group with risk level not lower than previous debt group that was classified before purchase. Debt classification and provision for debt purchases are made similar to loans to other customers according to the method as described in *Note 9*.

- ▶ The price of debt purchase under the contract is accounted on the balance sheet.
- ▶ The value of principal and interest of purchased debt is monitored off the balance sheet.
- ▶ If the interest of the debt including the interest before MB purchased the debt is collected, MB will allocate the interest on the following principle: (i) write down the value of debt purchase by pre-purchase interest; (ii) recognize as interest income of the period after MB purchases the debt.

Debt sale

Revenue and expense from selling debts are recorded in accordance with Circular 09/2015 and Circular 18/2022 the difference between the debt purchase, sale price and debt seller's book value is handled as follows:

- ▶ For the debts being recorded on the balance sheet:
 - If the debt sale price is higher than the book value of the debt, the difference shall be accounted as income of MB during the year.
 - If the debt sale price is lower than the value of the debt, the difference shall be offset with the compensation paid by an individual or an organization (in case such individual or organization is

identified to have caused the damage and must pay compensation under regulations), the insurance sum paid by the insurer or the risk provision already set aside from expenses; the deficit shall be accounted as a business cost of MB.

- ▶ For the debt accounted off the balance sheet or debt left off the statement of financial position, the debt sale proceeds shall be accounted as other income of MB.
- ▶ Debt classification and provisioning for debt sold (except for written-off loans) that have not yet been fully collected are performed similarly to loans to other customers according to the method as described in Note 9.

11. Securities held for trading

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

Listed trading debt securities are recognized at cost less provision for impairment of securities. Provision for devaluation is recorded in the Consolidated Statement of Income under the item "Net gain from trading securities".

Corporate bonds that are not listed on the stock market or not registered for trading in the transaction market of unlisted public companies will be classified and made a risk provision presented in Note 9.

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

12. Investment securities

12.1 Available-for-sale investment securities

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

Available-for-sale equity securities are securities listed on securities markets. They are initially recognized at cost on the trade date and continuously presented at cost in subsequent periods.

Available-for-sale debt securities are recognized at par value at the transaction date. Accrued interest (for debt securities with interest payment in arrears) and deferred interest (for debt securities with interest payment in advance) is recognized in a Consolidate 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 Consolidate statement of income on a straight-line basis over the remaining terms of securities. The interest received in arrears is recorded as follows: Cumulative interest incurred before the purchase date is recorded as a decrease in the accrued interest; cumulative interest incurred after the purchase date is recognized as income based on the accumulated method. The interest received in advance is amortized into the securities investment interest income on a straight-line basis over the terms of the securities investment.

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

Provision for diminution in value of securities is made when the carrying value is higher than the market value. Provision is recognized in the "Net gain/(loss) from investment securities and long-term investments" of the Consolidate statement of income.

Classification and 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 the method as described in Note 9.

12.2 Held-to-maturity investment securities

Investments in subsidiaries are recognized by the cost method. Dividend distributed from accumulated profit of subsidiaries are recorded in the statement of income.

Provisions for impairment of investments in subsidiaries are made for each impaired investment and are subject to revision at the end of annual accounting period. MB makes provision for investments in subsidiaries if there is firm evidence to indicate that there is an impairment in the value of these investments at the reporting date. Increase or decrease of provision balance is recognized in *"Net gain/(loss) from securities held for trading, investment securities and long-term investment"* in the statement of income.

13. Other long-term investments

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

Provision for diminution in the value of investment is made when there is substantial evidence indicating a decline in the value of these investments at the end of the year.

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

Increase or decrease in provision for long-term investments is recognized in *"Net gain/ (loss) from investment securities and long-term investments"* on the Consolidate statement of income.

14. 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 Consolidate statement of income.

When assets are sold or liquidated, their cost and accumulated depreciation/amortisation are deducted from the Consolidate statement of financial position and any gains or losses resulting from their disposal (being the difference between net proceeds from the sale of assets and the remaining value of assets) are recorded to the Consolidate statement of income.

15. Depreciation and amortization

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

Buildings and construction	6-25 years
Machines and equipment	3-7 years
Transportation vehicles	6 years
Other tangible fixed assets	3-5 years
Land use rights (*)	30-50 years
Computer software	3 years
Other intangible assets	3 years

(*) Indefinite land use rights with fees or by transfer are not amortized. Land use rights with definite terms or leased land use rights are amortized over their terms.

16. Investment properties

Investment properties for rental

Investment properties for rental are stated at cost less accumulated depreciation. The initial cost of investment properties for rental includes purchase price, cost of land use rights, and directly attributable costs to bring the asset to the necessary condition for proper functioning. Expenses incurred after investment properties for rental have been put into operation such as repairs and maintenance, are recognized in the consolidated statement of income in the period in which they are incurred. In cases where it can be clearly demonstrated that these expenses increase the expected future economic benefits from the investment property in excess of its standard performance according to initial assessment. Initially, these costs are capitalized as an incremental cost of investment properties for rental.

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

Investment properties held for capital appreciation

Investment properties held for capital appreciation are stated at cost less any devaluation in market prices. The carrying amount of an investment property held for capital appreciation is reduced when there is evidence that its market price falls below its carrying amount and the loss can be measured reliably. Any reduction in value of investment properties held for capital appreciation is charged to the consolidated statement of income.

17. Receivables

17.1 Receivables classified as credit risk-bearing assets

Receivables classified as credit risk-bearing assets are recognized at cost and classified and provided for allowance by MB in accordance with the method described in Note 9.

17.2 Other receivables

Other receivables not classified as credit risk-bearing assets of MB are initially recorded at cost and always carried at cost subsequently.

Provision for receivables is determined based on the overdue status of debts or expected loss of current debts in case the debts are not due for payment yet but the corporate debtors have bankrupted or have fled from business address, or of individual debtors who are being prosecuted, detained or tried by law enforcement bodies or have deceased or the debt has been requested to be tried but cannot be executed due to the debtor having fled his place of residence; the debt has been sued for debt collection but the case has been suspended. Provision expense incurred is recorded in "Provision expenses" on the Statement of income.

Provision for overdue debts is made as follows:

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

18. Prepaid expenses and deferred expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the Consolidate 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.

19. Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued 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 Bank'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 income. 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.

20. 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 Consolidate financial statements. The corresponding cash received from these agreements is recognized in the Consolidate statement of financial position as a borrowing and the difference between the sale price and repurchase price is amortized in the Consolidate statement of income over the term of the agreement using the straight-line method based on the interest rate stipulated in the contract over the term of the agreement.

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

21. Operating lease

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception date and requires an assessment of whether the fulfilment of the arrangement depends on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where MB is the lessee

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

Where MB is the lessor

Assets subject to operating leases are included as MB's fixed assets in the consolidated statement of financial position. Initial direct costs incurred in negotiating an operating lease are recognized in the consolidated statement of income as incurred.

Lease income is recognized in the consolidated statement of income on a straight-line basis over the lease term.

22. Dues to the Government and the State Bank

Dues to the Government and the State Bank are recognized at cost.

23. Deposits from other credit institutions and customers, other borrowed and entrusted funds and valuable papers issued

Deposits from other credit institutions, customer deposits, other borrowed and entrusted funds and valuable papers issued are disclosed at the principal amounts outstanding at the end of the year. At the date of initial recognition, expenses for bond issuance are deducted from the principal amount of the bonds. MB then allocates these expenses into "*Interest and similar expenses*" on a straight-line basis according to the terms of value papers.

24. 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 MB.

25. Foreign currency transactions

Foreign transactions

According to the accounting system of MB, 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 Consolidate statement of financial position date (Note V.6). Income and expenses arising in foreign currencies during the year are converted 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 Consolidate statement of income.

Overseas activities

At the reporting date, the assets and liabilities of the overseas subsidiary in other reporting currencies are translated into VND at the exchange rates prevailing at the balance sheet date for consolidation. Revenue and expenses of overseas subsidiaries are converted into VND at the average exchange rate of the accounting period.

Foreign exchange differences arising from the conversion to consolidate foreign subsidiaries mentioned above are recorded in the item "Foreign exchange differences" under equity on the consolidated financial statements.

26. Covered warrants

Covered warrants are securities with collateral issued by MB Securities Joint Stock Company, a member of MB, allowing the holder the right to purchase the underlying securities from the warrant issuer at a predetermined price, at or before a specified time, or receive the difference between the strike price and the underlying security's price at the time of exercise.

Covered warrants are initially recognized at cost and continue to be recognized after initial recognition at fair value under the item "*Other payables and liabilities*".

Differences due to revaluation of covered warrants at fair value compared with the previous period are recognized in the consolidated statement of income under the item "*Net gain/(loss) from securities held for trading*".

The costs of buying and issuing warrants are recognized in the consolidated statement of income as soon as they are incurred.

27. Technical reserves of insurance subsidiaries

The methodologies to compute reserves are based on Circular No. 50/2017/TT-BTC dated 15 May 2017 issued by the Ministry of Finance on financial regime applicable to insurers, reinsurers, insurance brokers and foreign non-life insurance branches ("Circular 50") and Circular No. 67/2023/TT-BTC dated 2 November 2023 issued by the Ministry of Finance providing implementation guidance for certain articles of Law on Insurance Business, Decree No. 46/2023/ND-CP dated 1 July 2023 issued by the Government of Vietnam on the promulgation of implementation guidance for certain articles of Law on Insurance Business ("Circular 67"). Details of the methodologies are presented as follows:

27.1 Unearned premium reserves

Regarding insurance and re-insurance policies with a term of less than or equal to one (1) year, unearned premium reserve is calculated as a percentage of total premium as follows:

- ▶ For cargo insurance, unearned premium reserve is made at 25% of the retained premium during the financial year.
- ▶ For other general insurance lines, unearned premium reserve is made at 50% of the retained premium during the financial year.
- ▶ For life insurance, the unearned premium reserve is calculated on the gross premium for all insurance policies with a term of one (1) year or less at the reporting date.

Regarding insurance and re-insurance with a term more than one (1) year, unearned premium reserve is calculated as follows:

- ▶ For general insurance line, unearned premium reserve is made by the formula as follows:

$$\text{Unearned premium reserve} = \frac{\text{Premium * Number of remained insurance days under insurance, re-insurance contract}}{\text{Total number of insurance days under insurance, re-insurance contract}}$$

27.2 Mathematical reserve

Mathematical reserve for life insurance is the difference between the present value of total insurance payables in the future and the present value of the net insurance premiums with Zillmer adjustment for insurance premiums receivables in the future. Mathematical reserve is calculated for insurance policies that have valid period of more than one (1) year with specific actuarial formulae and factors for each type of products as registered and approved by the Ministry of Finance. The maximum valuation interest rate is linked to the average interest rate of government bonds as per formula specified in the Circular 67/2023/TT-BTC.

27.3 Claims reserve

Claims reserve includes reserve for claims outstanding at the end of the period but not yet resolved and for claims incurred but not reported.

- ▶ Outstanding claim reserve is established based on the estimated claim payments for each claim for which the insurer is liable, which is either notified to the insurer or requested for payment but is still unresolved at the end of the fiscal year;
- ▶ Reserve for incurred but not reported claims for which the insurer is liable (IBNR) is established according to regulations in Circular 50 and Circular 67.

Provisions for claims of original and reinsurance business are recorded as a liability; Provisions for claims for reinsurance are recorded in "Other liabilities".

27.4 Catastrophe reserve

Catastrophe reserve is made annually until it reaches 100% of the retained premiums of the accounting period and based on the rate of retained premiums according to Circular 50 and Circular 67.

On 28 December 2005, the Ministry of Finance issued Decision No. 100/2005/QĐ-BTC governing the publication of four new accounting standards, including Vietnamese Accounting Standard ("VAS") 19 – Insurance Contract. Accordingly, from January 2006, the provision of catastrophe reserve is no longer required since it represents "possible claims under contracts that do not exist at the reporting date". However, since the Ministry of Finance has not issued detailed guidance for the implementation of VAS 19 and according to Decree No. 73/2016/ND-CP issued by the Government of Vietnam dated 1 July 2016 on details of the implementation of the Law on Insurance Business and amendments to certain articles of the Law on Insurance Business ("Decree 73") and Decree No. 46/2023/ND-CP issued by the Government of Vietnam on the promulgation of implementation guidance for certain articles of Law on Insurance Business ("Circular 46"), MB continues to make catastrophe reserve on the consolidated financial statements.

27.5 Equalization reserve

The reserve is set aside one percent (1%) of its profit before tax annually for reserve until this reserve reaches five percent (5%) collected premiums in the fiscal year of MB Ageas Life Insurance Company Limited.

28. Capital and reserves

28.1 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.

28.2 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.

28.3 Reserves

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

(i) Vietnamese bank's reserves

Reserves are for specific purposes and appropriated from net profit after tax of the Bank at prescribed rates as below and according to the Resolution of the General Meeting of Shareholders:

- ▶ Supplementary charter capital reserve: 5% of net profit after tax and does not exceed charter capital;
- ▶ Financial reserve: 10% of net profit after tax;
- ▶ Other reserves: are to be made upon the current regulations and resolution of the General Shareholders' Meeting.

(ii) Subsidiaries' reserves

Military Bank Asset Management Company Limited ("MB AMC")

MB AMC made appropriations to bonus and welfare fund according to decision of the owners.

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

Funds of MBS and MB Capital are set aside according to the Resolution of the General Meeting of Shareholders.

MB Shinsei Finance Company Limited ("MCredit")

According to Decree No. 93/2017/ND-CP, MCredit is required to make statutory reserves before distribution of profits similar to the Bank.

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

MIC and MB Ageas make appropriations to statutory reserves from profit after tax at the rate of 5% and these are continuously accumulated until reaching 10% of their charter capital.

29. Interest income and expenses

Income and expenses from banking operations

Interest income and expenses are recognized in the Consolidate statement of income on an accrual basis. The recognition of accrued interest income of a loan is suspended when such debt is classified in groups 2 to 5 in compliance with Circular 11 (prior 1 July 2024) and Circular 31 (from 1 July 2024) and restructured under Circular 01/2020 and Circular 02/2023 or Circular 53/2024 will not be recognized in the Consolidate statement of income. Suspended interest income is reversed and monitored off-balance sheet and recognized in the Consolidate statement of income upon actual receipt.

Banking services fees are recognized when the services are performed.

For other income, when the result of the contract is definitely determined, income is recognized based on the stage of completion of work or service. If the result of the contract is not determined, income is only recognized to the extent of recoverable amount of expenses incurred.

According to Circular No. 16/2018/TT-BTC dated 7 February 2018 issued by the Ministry of Finance guiding on the financial regime for credit institutions and foreign bank branches, receivables from uncollectible accrued income at the due date are recorded as reduction in revenue if the income has been accrued in the same year or recorded as expense if the income has been accrued in different years and monitored in off-balance sheet. Upon actual receipt of these receivables, MB would recognize to income on the Consolidate statement of income

Income from securities trading business

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

Cash dividend is recognized in the consolidated statement of income when the right to receive cash dividends of MB is established. Dividend received in the form of common shares, bonus shares and stock options for current shareholders, shares distributed from undistributed profits are not recognized as an income of MB but only update the quantity of stock.

Income from insurance business

Gross written premiums are recognized in accordance with Circular No. 50/2017/TT-BTC and Circular 67/2023/TT-BTC.

Income from real estate business

Income is recognized to the extent that it is probable that the economic benefits will flow to MB. Income is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales returned.

Income is recognized when MB has passed significant risks and rewards associated with the real estates to the buyers and income can be reliably measured.

Claim expenses for insurance activities

Claim expenses of gross premium is recognized on the basis of incurrence when insurance companies accept claims.

Claim expenses for reinsurance premiums assumed is recognized upon incurrence in accordance with the statement of the reinsurer which was sent to insurance companies and accepted by insurance companies.

Claim receivables for reinsurance premiums ceded are recognized upon actual incurrence in accordance with the receivable amount corresponding to claim expense recognized during the period and the rate of reinsurance ceded.

Other expenses for insurance activities are recognized when incurred.

Commission expenses for insurance business

Commission is calculated at certain percentage of direct premiums for specific line of insurance as stipulated in Circular 50 and Circular 67. Commission expenses are allocated and recognized in the consolidated statement of income for direct premiums earned during the period. The commission which is not allocated would be recognized as prepaid expense and being allocated in subsequent periods.

Loan origination costs from loans to customers in the finance company

Loan origination costs including commissions to agencies, third parties, and sale personnel are amortized into the consolidated statement of income using the straight-line method over the average duration of the loan types ranging from 10 - 31 months.

30. Corporate income taxes

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 tax authorities – using the tax rates and tax laws applied and enacted at the end of the annual accounting period.

Current income tax is charged or credited to the Consolidate statement of income 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 MB to offset current tax assets against current tax liabilities and when MB intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided on temporary differences at the end of the annual accounting period 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. Previously unrecognized deferred tax assets are reviewed at the end of the year and are recognised only to the extent that it is probable that future taxable profits will be available against which these unrecognised deferred tax assets can be utilised. 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 the end of the annual accounting period.

31. Derivatives

MB 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 MB.

Currency forward contracts

The forwards contracts are recorded at nominal value at the transaction date and are revalued at spot exchange rate at the reporting date and are stated at net value in the Consolidate statement of financial position. Differences upon revaluation at the end of the period are recognised in the “Foreign exchange differences” account in the Consolidate statement of financial position each month and are transferred to the Consolidate statement of income at the end of the annual accounting period or upon maturity. Differences between the amounts in VND of the foreign currency amounts which are committed to buy/sell at forward rate and spot rate are recognised in the Consolidate statement of income on a straight-line basis over the term of the contracts.

Swap contracts

The currency swap contracts are commitments to buy or sell the same amount of foreign currency (only two currencies are used in the transaction) with the same partner, in which there is a transaction with the spot payment term and a transaction with a payment period determined in the future and the rate of the two transactions is determined at the time of determination of spot transaction. Premiums/discounts arising from the difference of the spot exchange rate at the effective date of the contracts and the forward exchange rate will be recognised immediately on the effective date of the contracts as an asset if they are positive or as a liability if they are negative in the Consolidate statement of financial position. This difference is amortised to the Consolidate statement of income on a straight-line basis over the term of the swap contracts.

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

32. Earnings per share

MB 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 MB (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

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

33. Employees benefits

a. Post-employment benefits

Post-employment benefits are paid to retired employees of MB in Vietnam by the Social Insurance Agency of the Ministry of Labor, Invalids and Social Affairs. MB is required to contribute to these post-employment benefits by paying social insurance and occupational accident and disease insurance at the rate of 17% and 0.5% of the employee's basic monthly salary. Other than that, MB has no further obligation. Social insurance and occupational accident and disease insurance are recognized in the consolidated statement of income when incurred.

b. Voluntary resignation benefits

The Bank has the obligation, under Article 46 of the Vietnam Labour Law 45/2019/QH14 comes into force from 1 January 2021, to pay allowance arising from voluntary resignation of employees who fully meet the requirements of relevant laws and regulations, equal to one-half month's salary for each year of employment up to 31 December 2008 plus salary allowances (if any). The average monthly salary used in this calculation is the average monthly salary of the latest year up to the resignation date. Allowance arising from voluntary resignation is recognized in the separate statement of income when payments are made.

c. Unemployment insurance

According to Circular No. 28/2015/TT-BLDTBXH providing guidance for Decree No. 28/2015/ND-CP dated 12 March 2015 on unemployment insurance, from 1 January 2009, 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. Unemployment insurance is recognized in the separate statement of income when incurred.

34. Segment report

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

35. Related parties

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

36. Offsetting/Net off

Financial assets and financial liabilities are offsets and the net amount is reported in the Consolidate 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.

III- ADDITIONAL INFORMATION FOR STATEMENT OF FINANCIAL POSITION

1. Cash, gold and gemstones

	31/12/2024 VND million	31/12/2023 VND million
Cash in VND	2,985,508	3,315,033
Cash in foreign currencies	358,551	351,266
Gold	5,107	9,095
	3,349,166	3,675,394

2. Balances with the State banks

	31/12/2024 VND million	31/12/2023 VND million
Balances with the State Bank of Vietnam	27,776,974	64,940,204
- In VND	27,209,475	55,547,807
- In foreign currencies	567,499	9,392,397
Balances with MB of the Lao P.D.R	568,032	525,859
Balances with National Bank of Cambodia	1,480,247	855,589
	29,825,253	66,321,652

3. Placements with and loans to other credit institutions

	31/12/2024 VND million	31/12/2023 VND million
Placements with other credit institutions	63,887,837	39,119,633
<i>Included:</i>		
Demand Accounts		
- In VND	6,102,802	1,791,465
- In foreign currencies	5,157,207	14,335,421
Term deposits		
- In VND	50,971,254	17,177,006
- In foreign currencies	1,656,574	5,815,741
Loans to other credit institutions	12,903,651	7,229,607
In VND	12,523,482	6,504,630
In foreign currencies	380,169	724,977
Provision	(5,866)	(5,427)
	76,785,622	46,343,813

4. Securities held for trading

Investments into securities held for trading include:

	31/12/2024 VND million	31/12/2023 VND million
Debt securities		
Listed	999,786	1,554,118
Unlisted	6,719,896	42,541,062
Equity securities		
Listed	212,027	128,801
Unlisted	125	27,419
	7,931,834	44,251,400
Provision for securities held for trading	(179)	(612)
	7,931,655	44,250,788

5. Loans to customers

	31/12/2024 VND million	31/12/2023 VND million
Outstanding loans to customers		
Loans to domestic economic entities and individuals	756,463,013	596,632,628
Discounted commercial bills and valuable papers	2,500,151	1,717,308
Loans financed by entrusted funds	44,166	63,587
Payments on behalf of customers	62,439	42,785
Loans to overseas organizations and individuals	7,294,348	3,374,039
	766,364,117	601,830,347
Securities margin loan and advances to MBS customers	10,293,729	9,218,483
	776,657,846	611,048,830

- Analysis of loan portfolio by quality:

	31/12/2024 VND million	31/12/2023 VND million
Outstanding loans to customers		
Current loans	751,875,632	587,326,305
+ Of which, Loans at MBS	10,293,729	9,218,483
Special mentioned	12,196,782	13,917,867
Sub-standard	3,379,646	3,210,741
Doubtful	4,599,274	3,704,226
Loss	4,606,512	2,889,691
	776,657,846	611,048,830

- Analysis of loan portfolio by maturity:

	31/12/2024 VND million	31/12/2023 VND million
Outstanding loans to customers		
Short term	413,956,564	314,080,999
Medium term	88,454,207	75,334,377
Long term	263,953,346	212,414,971
	766,364,117	601,830,347
Securities margin loan and advances to MBS customers	10,293,729	9,218,483
	776,657,846	611,048,830

- *Analysis of loan portfolio by ownership and type of entities*

	31/12/2024 VND million	%	31/12/2023 VND million	%
Outstanding loans to customers				
Loans to economic entities	425,746,734	54.81	322,082,732	52.71
State-owned enterprises	30,754,076	3.96	23,475,539	3.84
One-member limited liability companies with 100% State-owned capital	10,458,752	1.35	6,704,263	1.10
One-member limited liability companies with over 50% State-owned capital	2,731,618	0.35	1,484,514	0.24
Other limited liability companies	130,491,477	16.80	96,980,688	15.87
Joint Stock Companies over 50% State-owned Capital (the State holds dominating shares)	3,480,485	0.45	4,285,698	0.70
Other joint stock companies	228,839,706	29.46	173,608,837	28.41
Foreign invested enterprises	18,816,306	2.42	15,429,823	2.53
Cooperatives and cooperative unions	174,314	0.02	113,370	0.02
Loans to individuals	331,346,264	42.66	275,696,767	45.12
Household business, individuals	331,346,264	42.66	275,696,767	45.12
Other loans	1,976,771	0.25	684,579	0.12
Administrative units, Union and Association	170,815	0.02	98,067	0.02
Others	1,805,956	0.23	586,512	0.10
Loans at overseas branches and subsidiary bank	7,294,348	0.95	3,366,269	0.54
Loans to enterprises	1,705,162	0.23	1,343,257	0.21
Loans to individuals	5,589,186	0.72	2,023,012	0.33
	766,364,117	98.67	601,830,347	98.49
Securities margin loan and advances to MBS customers	10,293,729	1.33	9,218,483	1.51
	776,657,846	100.00	611,048,830	100.00

- *Analysis of loan portfolio by sectors*

	31/12/2024		31/12/2023	
	VND million	%	VND million	%
Outstanding loans to customers of the Bank				
Agriculture, forestry and aquaculture	8,724,854	1.12	6,234,490	1.02
Mining	3,975,824	0.51	3,178,276	0.52
Production and processing	124,040,940	15.97	98,521,149	16.12
Electricity, petroleum and steam	46,125,259	5.94	41,237,247	6.75
Water supply and waste treatment	1,267,073	0.16	1,075,745	0.18
Construction	31,917,958	4.11	28,700,450	4.70
Wholesale and retail trade, repair of motor vehicles, motorcycles	222,846,289	28.69	165,406,488	27.07
Transportation, logistics	25,762,468	3.32	16,132,904	2.64
Hospitality services	16,057,822	2.07	11,570,229	1.89
Information and communication	7,100,447	0.91	3,309,515	0.54
Finance, Banking and insurance services	7,697,847	0.99	1,499,841	0.25
Real estates	64,141,215	8.26	43,268,446	7.09
Expertise, science and technology	668,318	0.09	575,417	0.09
Administrative and supportive services	1,905,606	0.25	924,125	0.15
Education and training	1,791,148	0.23	1,307,008	0.21
Healthcare and community development	5,535,906	0.71	4,607,913	0.75
Art and entertainment	2,395,960	0.31	2,659,628	0.44
Other services	533,019	0.07	242,700	0.04
Household services	186,581,816	24.01	168,012,507	27.49
Loans at overseas branches and subsidiary bank	7,294,348	0.95	3,366,269	0.55
	766,364,117	98.67	601,830,347	98.49
Securities margin loan and advances to MBS customers	10,293,729	1.33	9,218,483	1.51
	776,657,846	100.00	611,048,830	100.00

6. Movements (increase/decrease) of provision for credit losses:

(i) Movements in the provision for credit losses during the period then ended 31 December 2024 include the following items:

	<i>In Vietnam</i>			<i>In foreign branches</i>			<i>Total</i>		
	<i>Specific Allowance</i>	<i>General Allowance</i>	<i>Total</i>	<i>Specific Allowance</i>	<i>General Allowance</i>	<i>Total</i>	<i>Specific Allowance</i>	<i>General Allowance</i>	<i>Total</i>
Balance at the beginning	6,906,545	4,522,327	11,428,872	11,272	29,419	40,691	6,917,817	4,551,746	11,469,563
Provision made/ reversed during the period	8,287,689	1,205,777	9,493,466	5,202	36,100	41,302	8,292,891	1,241,877	9,534,768
Utilized provisions	(9,387,573)	-	(9,387,573)	(9,342)	-	(9,342)	(9,396,915)	-	(9,396,915)
Exchange rate differences	-	-	-	495	1,950	2,445	495	1,950	2,445
Balance at the reporting period	5,806,661	5,728,104	11,534,765	7,627	67,469	75,096	5,814,288	5,795,573	11,609,861

(ii) Movements in the provision for credit losses during the financial year 2023 include the following items:

	<i>In Vietnam</i>			<i>In foreign branches</i>			<i>Total</i>		
	<i>Specific Allowance</i>	<i>General Allowance</i>	<i>Total</i>	<i>Specific Allowance</i>	<i>General Allowance</i>	<i>Total</i>	<i>Specific Allowance</i>	<i>General Allowance</i>	<i>Total</i>
Balance at the beginning	8,568,284	3,381,313	11,949,597	6,661	19,602	26,263	8,574,945	3,400,915	11,975,860
Provision made/ reversed during the period	4,960,642	1,141,014	6,101,656	3,806	9,441	13,247	4,964,448	1,150,455	6,114,903
Other changes	(6,622,439)	-	(6,622,439)	-	-	-	(6,622,439)	-	(6,622,439)
Utilized provisions	-	-	-	382	76	458	382	76	458
Exchange rate differences	58	-	58	423	300	723	481	300	781
Balance at the reporting period	6,906,545	4,522,327	11,428,872	11,272	29,419	40,691	6,917,817	4,551,746	11,469,563

7. Debt purchase

	31/12/2024 VND million	31/12/2023 VND million
Debt purchase by VND	1,041,362	1,848,863
Provision	(89,853)	(58,995)
	951,509	1,789,868

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

	31/12/2024 VND million	31/12/2023 VND million
Purchased principal debt	1,041,069	1,848,533
Interest of purchased debt	293	330
	1,041,362	1,848,863

8. Investment securities

8.1 Available-for-sale investment securities

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

		31/12/2024 VND million	31/12/2023 VND million
Available-for-sale investment securities			
Debt securities issued by the Government	(i)	46,403,490	35,868,286
Debt securities guaranteed by the Government	(i)	24,052,995	23,596,717
Debt securities issued by other credit institutions	(ii)	103,565,847	47,779,951
Debt securities issued by domestic economic entities	(iii)	31,485,624	35,765,757
		205,507,956	143,010,711
Provision for available-for-sale investment securities		(242,638)	(370,013)
		205,265,318	142,640,698

- (i) Debt securities issued by the Government and Debt securities guaranteed by the Government include bonds with 3-year to 20-year term at annual interest rates from 2.00% to 8.10%/year,
- (ii) Debt securities issued by other credit institutions include bonds with 6-months to 7-year term at annual interest rates from 4.10% to 7.50%/year,
- (iii) Debt securities issued by domestic economic entities include bonds with 3-year to 16-year term at annual interest rates from 5.00% to 12.20%/year.

8.2 Held-to-maturity investment securities

The detailed data of held-to-maturity investment securities of MB is as follows:

	31/12/2024 VND million	31/12/2023 VND million
Held-to-maturity investment securities		
Government bonds	269,654	270,211
Debt securities issued by other credit institutions (i)	2,385,376	2,435,307
Debt securities issued by domestic economic entities (ii)	1,957,474	2,682,434
	4,612,504	5,387,952
Provision for held-to-maturity investment securities	(240,445)	(105,445)
	4,372,059	5,282,507

- (i) Debt securities issued by other domestic credit institutions have terms of 5 years with the interest rate of 9.00% p.a.
- (ii) Debt securities issued by domestic economic entities of the bank have terms ranging from 7 years to 10 years with interest rates ranging from 8.90% to 10.10% p.a.

9. Long-term investment

Details of long-term investments items are as follows:

	31/12/2024 VND million	31/12/2023 VND million
Other long-term investments	775,670	779,587
	775,670	779,587
Provision for long-term investments	(166,193)	(163,802)
	609,477	615,785

9.1 Other long-term investments

	31/12/2024 VND million	31/12/2023 VND million
Investments in economic entities, long-term projects	687,266	713,681
Investments in investment funds	88,404	65,906
	775,670	779,587

10. Tangible fixed assets

Movements in tangible fixed assets during the period ended 31/12/2024 are as follows:

	<i>Building and structures VND million</i>	<i>Machines, equipment VND million</i>	<i>Transportation vehicles & transmission equipment VND million</i>	<i>Other tangible fixed assets VND million</i>	<i>Total VND million</i>
Cost					
Opening balance	2,585,504	3,281,185	1,305,572	560,347	7,732,608
Additions	16,222	793,162	258,812	409,694	1,477,890
Decreases	(700)	(102,869)	(68,250)	(26,761)	(198,580)
Other Increases/(Decreases) during the period	-	126	-	-	126
Exchange rate differences	1,043	990	373	222	2,628
Closing balance	2,602,069	3,972,594	1,496,507	943,502	9,014,672
Accumulated depreciation					
Opening balance	631,015	2,450,058	1,074,312	382,819	4,538,204
Additions	96,639	512,027	121,813	121,645	852,124
Decreases	-	(102,772)	(64,679)	(26,736)	(194,187)
Other Increases/(Decreases) during the period	-	26,296	20,162	19,580	66,038
Exchange rate differences	503	623	527	144	1,797
Closing balance	728,157	2,886,232	1,152,135	497,452	5,263,976
Net book value:					
Opening balance	1,954,489	831,127	231,260	177,528	3,194,404
Closing balance	1,873,912	1,086,362	344,372	446,050	3,750,696

Movements in tangible fixed assets during the financial year 2023 are as follows:

	<i>Building and structures VND million</i>	<i>Machines, equipment VND million</i>	<i>Transportation vehicles & transmission equipment VND million</i>	<i>Other tangible fixed assets VND million</i>	<i>Total VND million</i>
Cost					
Opening balance	2,481,162	2,989,623	1,158,689	481,088	7,110,562
Additions	104,117	340,926	168,388	82,011	695,442
Decreases	-	(49,127)	(21,254)	(2,756)	(73,137)
Other Increases/(Decreases) during the period	-	229	-	-	229
Exchange rate differences	225	(466)	(251)	4	(488)
Closing balance	2,585,504	3,281,185	1,305,572	560,347	7,732,608
Accumulated depreciation					
Opening balance	523,559	1,940,228	916,406	272,808	3,653,001
Additions	107,229	513,342	173,109	86,308	879,988
Decreases	-	(38,722)	(21,071)	(2,058)	(61,851)
Other Increases/(Decreases) during the period	-	35,443	5,977	25,771	67,191
Exchange rate differences	227	(233)	(109)	(10)	(125)
Closing balance	631,015	2,450,058	1,074,312	382,819	4,538,204
Net book value:					
Opening balance	1,957,603	1,049,395	242,283	208,280	3,457,561
Closing balance	1,954,489	831,127	231,260	177,528	3,194,404

11. Intangible fixed assets

Movements in intangible fixed assets during the period ended 31/12/2024 are as follows:

	<i>Definite land use rights VND million</i>	<i>Computer software VND million</i>	<i>Other intangible assets VND million</i>	<i>Total VND million</i>
Cost:				
Opening balance	1,153,177	3,020,072	22,895	4,196,144
Additions	-	793,347	1,951	795,298
Decreases	-	(10,737)	-	(10,737)
Others increases/(decreases) during the period	-	(4,332)	-	(4,332)
Exchange rate differences	-	296	-	296
Closing balance	1,153,177	3,798,646	24,846	4,976,669
Accumulated amortisation:				
Opening balance	238,703	2,282,318	15,341	2,536,362
Depreciation during the period	20,677	742,947	2,062	765,686
Decreases	-	(10,710)	-	(10,710)
Others increases/(decreases) during the period	-	5,329	-	5,329
Exchange rate differences	-	282	-	282
Closing balance	259,380	3,020,166	17,403	3,296,949
Net book value:				
Opening balance	914,474	737,754	7,554	1,659,782
Closing balance	893,797	778,480	7,443	1,679,720

The movements of intangible fixed assets during the financial year 2023 are as follows:

	<i>Definite land use rights VND million</i>	<i>Computer software VND million</i>	<i>Other intangible assets VND million</i>	<i>Total VND million</i>
Cost:				
Opening balance	1,102,024	2,439,978	23,090	3,565,092
Additions	51,153	585,625	195	636,973
Decreases	-	(32)	(390)	(422)
Others increases/(decreases) during the period	-	(5,631)	-	(5,631)
Exchange rate differences	-	132	-	132
Closing balance	1,153,177	3,020,072	22,895	4,196,144
Accumulated amortisation:				
Opening balance	218,797	1,719,202	11,146	1,949,145
Depreciation during the period	19,906	552,051	4,585	576,542
Decreases	-	(32)	(390)	(422)
Others increases/(decreases) during the period	-	10,967	-	10,967
Exchange rate differences	-	130	-	130
Closing balance	238,703	2,282,318	15,341	2,536,362
Net book value:				
Opening balance	883,227	720,776	11,944	1,615,947
Closing balance	914,474	737,754	7,554	1,659,782

12. Investment properties

Movements in investment properties during the period ended 31/12/2024 are as follows:

	<i>Buildings & construction VND million</i>	<i>Land use rights term VND million</i>	<i>Total VND million</i>
Cost			
Opening balance	51,835	208,580	260,415
Additions	-	-	-
Decreases	-	-	-
Closing balance	51,835	208,580	260,415
Accumulated depreciation:			
Opening balance	5,854	14,267	20,121
Additions	1,069	5,110	6,179
Others increases/(decreases) during the period	-	-	-
Closing balance	6,923	19,377	26,300
Net book value:			
Opening balance	45,981	194,313	240,294
Closing balance	44,912	189,203	234,115

Movements in investment properties during the year 2023 are as follows:

	<i>Buildings & construction VND million</i>	<i>Land use rights term VND million</i>	<i>Total VND million</i>
Cost			
Opening balance	50,835	199,320	250,155
Additions	1,000	9,260	10,260
Decreases	-	-	-
Closing balance	51,835	208,580	260,415
Accumulated depreciation:			
Opening balance	4,821	9,157	13,978
Additions	1,033	5,110	6,143
Others increases/(decreases) during the period	-	-	-
Closing balance	5,854	14,267	20,121
Net book value:			
Opening balance	46,014	190,163	236,177
Closing balance	45,981	194,313	240,294

13. Receivables

	31/12/2024 VND million	31/12/2023 VND million
Internal receivables	444,741	344,870
External receivables	13,915,887	13,944,214
	14,360,628	14,289,084

Details of external receivables as follows:

	31/12/2024 VND million	31/12/2023 VND million
- Construction in progress, purchase of fix assets	836,559	808,051
- Deposits, mortgages, pledges	626,507	600,800
- Trade finance receivables	1,412,951	7,324,071
- Receivables related to payment services	241,946	618,276
- Other receivables	10,797,924	4,593,016
	13,915,887	13,944,214

14. Other Assets

	31/12/2024 VND million	31/12/2023 VND million
Expenses awaiting for allocation	3,066,449	4,204,567
Goodwill	9,523	19,045
Other assets	2,797,777	2,183,057
	5,873,749	6,406,669

15. Due to the Government and the State Bank

	31/12/2024 VND million	31/12/2023 VND million
Due to the Government and the State Bank	8,156,285	8,738
	8,156,285	8,738

16. Deposits and borrowings from other Credit Institutions (CIs)

	31/12/2024 VND million	31/12/2023 VND million
Demand deposits from other CIs		
- In VND	4,643,038	12,886,288
- In foreign currencies	62,107	568,268
Term deposits from other CIs		
- In VND	65,290,000	43,555,000
- In foreign currencies	9,520,465	11,803,327
Borrowings from other CIs		
- In VND	21,220,438	15,589,545
- In foreign currencies	9,433,537	15,408,038
	110,169,585	99,810,466

17. Customers deposits

- Classification of customers deposits by deposit types:

	31/12/2024 VND million	31/12/2023 VND million
Demand deposits	271,579,760	216,092,296
- Demand deposits in VND	248,892,601	197,782,244
- Demand deposits in foreign currencies	22,687,159	18,310,052
Term deposits	433,476,766	339,421,432
- Term deposits in VND	424,703,281	333,446,177
- Term deposits in foreign currencies	8,773,485	5,975,255
Deposits for specific purposes	1,790,955	3,263,844
Margin deposits	7,306,998	8,755,005
- Margin deposits in VND	4,045,662	6,768,913
- Margin deposits in foreign currencies	3,261,336	1,986,092
	714,154,479	567,532,577

Classification of customers deposits by customer types:

	31/12/2024 VND million	31/12/2023 VND million
Economic entities	293,633,827	238,813,451
Individuals	420,520,652	328,719,126
	714,154,479	567,532,577

18. Derivatives and other financial assets/(liabilities)

	Total book value (at exchange rates at the reporting date)		
	Assets VND million	Liabilities VND million	Net value VND million
As at 31 December 2024			
FX Derivatives	173,425	(364,970)	(191,545)
Forward currency contracts	-	(364,970)	(364,970)
Swap currency contracts	173,425	-	173,425
As at 31 December 2023			
FX Derivatives	205,742	(64,448)	141,294
Forward currency contracts	-	(64,448)	(64,448)
Swap currency contracts	205,742	-	205,742

19. Other borrowed and entrusted funds

	31/12/2024 VND million	31/12/2023 VND million
Entrusted funds received	2,793,453	2,799,863
	2,793,453	2,799,863

20. Valuable papers issued

	31/12/2024 VND million	31/12/2023 VND million
Bonds	37,471,472	22,841,617
- Less than 5 years	20,836,457	13,604,220
- Over 5 years	16,635,015	9,237,397
Certificates of deposits	91,492,561	103,621,493
- Less than 12 months	66,520,415	84,069,091
- Over 12 months	24,972,146	19,552,402
	128,964,033	126,463,110

Bonds are entitled to interest rate of 5.28% per annum to 8.80% per annum.

Certificates of deposits are entitled to interest rate of 3.60% per annum to 11.18% per annum.

21. Other Liabilities

	31/12/2024 VND million	31/12/2023 VND million
Internal payables	3,874,424	3,531,910
External payables	33,536,723	34,704,632
	37,411,147	38,236,542

22. Capital and reserves

22.1 Statement of changes in equity:

As at 31 December 2024, the number of issued shares of MB is **5,306,324,052** with the face value of each share is 10,000 VND. Therefore, the charter capital of MB is 53,063,241 VND million.

Unit: VND million

Items	Opening balance	Provision/ Increase	Utilization/ Adjust	Ending balance
Charter capital	52,140,841	922,400	-	53,063,241
Share premium	869,327	435,007	-	1,304,334
Other capital	1,928,258		-	1,928,258
Capital supplementary reserve	4,076,438	658,564	-	4,735,002
Financial reserve	7,299,936	1,994,220	-	9,294,156
Other reserves	817,557	498,503	(348,371)	967,689
Foreign exchange differences	45,939	91,858	-	137,797
Retained profits	25,559,753	22,633,757	(7,475,286)	40,718,224
Non-controlling interests	3,973,110	1,120,545	(182,775)	4,910,880
Total	96,711,159	28,354,854	(8,006,432)	117,059,581

22.2 Basic earnings per share

	From 01 January 2024 to 31 December 2024 VND million	From 01 January 2023 to 31 December 2023 VND million
Net profit after tax attributable to ordinary shareholders	22,633,757	19,012,931
Weighted average number of ordinary shares (shares)	5,281,935,200	5,214,084,052
Basic earnings per share (VND/share)	4,285	3,646

22.3 Shares:

	31/12/2024	31/12/2023
Number of registered shares		
Number of shares issued	5,306,324,052	5,214,084,052
- Ordinary shares	5,306,324,052	5,214,084,052
Number of shares acquired	-	-
- Ordinary shares	-	-
- Preferred shares	-	-
Number of shares circulated	5,306,324,052	5,214,084,052
- Ordinary shares	5,306,324,052	5,214,084,052
- Preferred shares	-	-

IV- Additional information for items in Statement of income

1. Net interest and similar income

	<i>From 01 January 2024 to 31 December 2024 VND million</i>	<i>From 01 January 2023 to 31 December 2023 VND million</i>
Interest and similar income		
Interest income from deposits	1,942,451	1,123,493
Interest income from loans	54,446,408	53,081,097
Interest income from debt securities	10,116,084	12,509,992
Income from guarantee activities	1,511,556	1,500,202
Interest income from debt purchase and sale	119,924	174,326
Other income from credit activities	925,470	753,933
	69,061,893	69,143,043
Interest and similar expense		
Interest expenses for deposits	(18,432,473)	(20,827,140)
Interest expenses for borrowings	(1,988,997)	(2,114,207)
Interest expenses for valuable papers issued	(6,559,439)	(6,948,592)
Other expenses from credit activities	(928,765)	(569,256)
	(27,909,674)	(30,459,195)
Net interest and similar income	41,152,219	38,683,848

2. Net fee and commission income:

	<i>From 01 January 2024 to 31 December 2024 VND million</i>	<i>From 01 January 2023 to 31 December 2023 VND million</i>
Fee and commission income		
Income from settlement and treasury services	3,359,021	2,744,415
Income from advisory services	280,325	177,958
Income from insurance services	8,443,178	8,228,367
Income from trust and agency services	27,002	23,764
Income from debts handling, valuation and asset management	494,094	369,032
Income from securities brokerage services	628,155	614,616
Income from other services	1,370,827	979,472
	14,602,602	13,137,624
Fee and commission expenses		
Expenses for settlement and treasury services	(2,285,505)	(1,906,840)
Expenses for trustee and agency services	(18,063)	(15,091)
Expenses for advisory services	-	(23,486)
Expenses for commission for brokerage services	(1,046,664)	(1,389,164)
Expenses for insurance services	(6,174,019)	(5,164,963)
Expenses for debts handling, valuation and asset management	(440,761)	(263,166)
Expenses for securities brokerage services	(146,539)	(124,391)
Expenses for other services	(122,802)	(165,298)
	(10,234,353)	(9,052,399)
Net fee and commission income	4,368,249	4,085,225

3. Net gain from trading of foreign currencies

	<i>From 01 January 2024 to 31 December 2024 VND million</i>	<i>From 01 January 2023 to 31 December 2023 VND million</i>
Income from trading of foreign currencies		
Income from spot foreign currencies and gold trading	3,996,204	3,105,170
Income from currency derivatives	3,061,046	3,053,354
	7,057,250	6,158,524
Expenses for trading of foreign currencies		
Expenses for spot foreign currencies and gold trading	(1,309,588)	(542,920)
Expenses for currency derivatives	(3,747,498)	(4,405,779)
	(5,057,086)	(4,948,699)
Net gain from trading of foreign currencies	2,000,164	1,209,825

4. Net gain from securities held for trading, investment securities and long-term investments

	<i>From 01 January 2024 to 31 December 2024 VND million</i>	<i>From 01 January 2023 to 31 December 2023 VND million</i>
Net gain from securities held for trading		
Income from securities held for trading	2,553,518	605,511
Expenses for securities held for trading	(797,929)	(65,253)
Provision (made)/reserved for securities held for trading	433	1,308
	1,756,022	541,566
Net gain from investment securities and long-term investments		
Income from trading investment securities	3,136,652	635,361
Expenses for trading investment securities	(297,115)	(240,718)
Provision (made)/reserved for investment securities	(7,625)	(73,933)
Provision (made)/reserved for long-term investments	(28,807)	(20,306)
	2,803,105	300,404
Net gain from securities held for trading, investment securities and long-term investments	4,559,127	841,970

5. Net gain from other activities

	<i>From 01 January 2024 to 31 December 2024 VND million</i>	<i>From 01 January 2023 to 31 December 2023 VND million</i>
Recovery from bad debts previously written-off	2,451,560	1,711,016
Income from/(expenses for) other derivatives	97,606	519,997
Other income/(expenses)	731,654	197,098
	3,280,820	2,428,111

6. Income from capital contribution, share acquisition

	<i>From 01 January 2024 to 31 December 2024 VND million</i>	<i>From 01 January 2023 to 31 December 2023 VND million</i>
Dividend	48,540	42,097
Other income from capital contribution, share acquisition	4,103	14,986
	52,643	57,083

7. Operating expenses

	<i>From 01 January 2024 to 31 December 2024 VND million</i>	<i>From 01 January 2023 to 31 December 2023 VND million</i>
Expenses on taxes, fees	156,767	157,503
Personnel expenses	9,381,602	7,996,974
Expenses on assets	3,156,134	2,843,585
In which:		
- Depreciation of fixed assets	1,623,989	1,462,673
Administrative expenses	3,733,773	3,466,912
Insurance fees for customer deposits	578,974	447,967
	17,007,250	14,912,941

8. Note to changes in profit:

MB's consolidate profit after tax in the 4th quarter of 2024 compared to the 4th quarter of 2023 increased **1,336,534** VND million, equivalent to **26.49%** due to the following reasons :

Items with significant changes	Amount VND million
Profit increases due to net interest income	1,978,686
Profit decreases due net fee and commission income	(274,960)
Profit increases due to net gain from trading of foreign currencies	194,915
Profit decreases due to net gain from securities held for trading	(77,892)
Profit decreases due to net gain from securities investment securities and long-term investments	2,536,365
Profit increases due to net gain from other activities	441,566
Profit increases due to income from capital contribution, share acquisition	14,471
Profit increases due to operating expenses	(1,370,337)
Profit decreases due to provision expenses	(1,636,966)
Profit decreases due to corporate income tax expenses	(469,314)
Total impact to profit after tax	1,336,534

9. Provision made/(reserved) for credit losses

	<i>From 01 January 2024 to 31 December 2024 VND million</i>	<i>From 01 January 2023 to 31 December 2023 VND million</i>
Provision made/(reserved) for loan to customers	9,534,768	6,114,903
Provision made/(reserved) for purchased debt	65,093	56,487
Provision made/(reserved) for other risks	(23,217)	(84,358)
	9,576,644	6,087,032

10. Tax and obligations to the State Budget

	<i>VND million</i>			
	<i>Opening balance</i>	<i>Movements during the period</i>		<i>Closing balance</i>
		<i>Amount payable</i>	<i>Amount paid</i>	
Value added tax	111,864	894,446	(887,781)	118,529
Corporate income tax	3,322,906	5,899,087	(6,021,975)	3,200,018
Other taxes	104,691	1,866,604	(1,715,633)	255,662
	3,539,461	8,660,137	(8,625,389)	3,574,209

11. Current corporate income tax

11.1 Tax expense

	<i>From 01 January 2024 to 31 December 2024 VND million</i>	<i>From 01 January 2023 to 31 December 2023 VND million</i>
Current corporate income tax	5,888,266	5,269,869
Current corporate income tax	5,888,266	5,269,869
Expense/(income) of deferred income tax	(10,202)	(17,572)
Expense/(income) of deferred income tax	(10,202)	(17,572)
Corporate income tax expense	5,878,064	5,252,297

11.2 Corporate Income Tax

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

	<i>31/12/2024 VND million</i>	<i>31/12/2023 VND million</i>
Consolidate profit before tax		
<i>Adjusted for:</i>	28,829,328	26,306,089
- Non-taxable income (including dividend, profits from subsidiaries, non-taxable consolidation adjust entries) and others	(2,151,774)	(2,068,963)
- Non-deductible bank's expenses	446,806	14,931
Estimated taxable bank's income in Vietnam	27,124,360	24,252,057
Current corporate income tax (20%) of the Bank (i)	5,424,872	4,850,411
Adjustments during the year for current income tax of prior years (ii)	14,908	-
Corporate income tax of foreign branches (iii)	4,172	7,049
Corporate income tax of subsidiaries (iv)	444,314	412,409
Reversal of deferred tax of subsidiaries (v)	(10,202)	(17,572)
Corporate income tax expenses (i+ii+iii+iv+v)	5,878,064	5,252,297

12. Cash and cash equivalent

Cash and cash equivalent in the Consolidate statement of cash flows include items in Consolidate statement of financial position as follows:

	<i>31/12/2024 VND million</i>	<i>31/12/2023 VND million</i>
Cash and cash equivalent on hand	3,349,166	3,675,394
Balances with the State Bank	29,803,270	66,300,091
Placements with other credit institutions with original term of 3 months or less	63,887,837	39,119,633
	97,040,273	109,095,118

V- Other information

1. Off-balance sheet items

Items	31/12/2024 VND million	31/12/2023 VND million
Credit guarantees	238,395	154,358
Foreign exchange commitments	263,133,210	394,715,794
+ Foreign exchange commitments - buy	4,416,403	1,945,064
+ Foreign exchange commitments - sell	4,492,239	1,423,038
+ Cross currency swap contracts - buy	127,747,604	195,798,455
+ Cross currency swap contract - sell	126,476,964	195,549,237
Letters of credit commitments	29,138,440	23,214,316
Other guarantees	135,649,614	121,825,143
Other commitments	72,142,229	81,444,111

Contingent liabilities and commitments

In the course of its business, MB performs financial instruments related to items other than the Consolidate statement of financial position. These financial instruments mainly include guarantees of guarantees and letters of credit. These instruments also create credit risks for MB in addition to the credit risks recognized in the balance sheet.

Credit risk of off-balance sheet financial instruments is defined as the ability to introduce credit risk to MB when one of the parties related to such financial instrument fails to perform the terms of the contract.

Financial guarantees are conditional commitments that MB grants to customers to transact with a third party in the activities of loan guarantee, payment guarantee, contract performance guarantee and bid guarantee. The credit risk associated with the granting of guarantees is essentially the same as that of lending to customers.

A sight commercial letter of credit transaction is a type of transaction in which MB provides financing to its customers, usually the buyer/importer of goods and the beneficiary being the seller/exporter. Credit risk in a sight letter of credit is usually low since imported goods are used as collateral for this type of transaction.

A deferred letter of credit transaction will incur a risk when the contract has been performed but the customer does not pay the beneficiary. Deferred payment letters of credit that are not paid by the customer are recognized by MB as a mandatory loan and the corresponding liability represents MB's financial obligation to pay the beneficiary and fulfil its obligations in guaranteeing for customers.

Banks often require customers to deposit to secure credit-related financial instruments when necessary. The margin value ranges from 0% to 100% of the committed value granted, depending on the customer's reliability level as assessed by MB.

2. Related party transactions

During normal business operation, MB has undertaken transactions with other parties to which MB 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. The party is related to MB if:

- (a) Directly or indirectly through one or more intermediaries, the party:
 - ▶ controls, is controlled by or is under general control of MB (including parents and subsidiaries);
 - ▶ has contributed capital (owning 5% or more of the charter capital or voting share capital) in MB that give it significant influence over MB;
 - ▶ has joint control over MB.
- (b) The party is a joint venture in which MB is a venture or an associate (owning 11% or more of the charter capital or voting share capital, but not a subsidiary of MB);
- (c) The party has a member who is key personnel of the Board of Directors or the Board of Management of MB;
- (d) The Party is a close member 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).

Total outstanding balance of receivables and payables of MB with major shareholders as follow:

Transaction type	31/12/2024 VND million	31/12/2023 VND million
Deposits at MB	40,239,944	39,740,091
	40,239,944	39,740,091

MB paid remuneration of the Board of Directors and Board of Supervision pursuant to the annual General Meeting of Shareholders resolution.

Salary of Board of Management and other managers is paid in accordance with MB's salary regulations.

3. Geographical concentration of assets, liabilities and off-balance sheet items

Total balance of loans to customers, deposits of customers, letters of credit commitments, held for trading and investment securities are presented as follows:

	Total loans to customers	Total deposits of customers	Letters of credit commitments	Held for trading and investment securities
Local	769,363,498	710,759,428	29,138,440	217,995,033
Overseas	7,294,348	3,395,051	-	57,261

4. Consolidated segment reporting

4.1 Consolidated segment reporting according to geographical segment

31 December 2024	North VND million	Central VND million	South VND million	Other regions VND million	Net off VND million	Total VND million
Assets	790,548,293	55,154,822	302,676,568	10,607,399	(30,186,020)	1,128,801,062
Liabilities	671,599,607	53,988,389	299,554,504	8,540,935	(21,941,954)	1,011,741,481
Fixed asset	4,992,952	47,907	153,716	235,841	-	5,430,416
Income	151,246,693	6,036,328	32,864,214	1,048,882	(89,732,438)	101,463,679
Expenses	128,107,117	4,575,272	28,661,453	1,022,947	(89,732,438)	72,634,351
Profit before tax	23,139,576	1,461,056	4,202,761	25,935	-	28,829,328
31 December 2023	North VND million	Central VND million	South VND million	Other regions VND million	Net off VND million	Total VND million
Assets	670,276,168	43,321,583	248,924,007	5,779,538	(23,347,656)	944,953,640
Liabilities	575,079,553	41,523,478	244,025,615	3,542,672	(15,928,837)	848,242,481
Fixed assets	4,652,221	51,306	125,335	25,324	-	4,854,186
Income	147,470,126	6,961,415	30,889,777	510,220	(92,636,688)	93,194,850
Expenses	129,372,441	4,925,497	24,755,214	472,297	(92,636,688)	66,888,761
Profit before tax	18,097,685	2,035,918	6,134,563	37,923	-	26,306,089

4.2 Consolidated report by business sector

31 December 2024	Finance and banking VND million	Securities and Fund management VND million	Insurance VND million	Asset & Liability management VND million	Net off VND million	Total VND million
Assets	1,111,192,636	22,729,848	23,113,659	1,950,939	(30,186,020)	1,128,801,062
Liabilities	998,651,491	15,235,258	18,999,632	797,054	(21,941,954)	1,011,741,481
Fixed assets	4,858,929	166,443	353,749	51,295	-	5,430,416
Income	176,660,052	3,235,225	9,718,743	1,582,097	(89,732,438)	101,463,679
Expenses	149,873,546	2,257,157	9,302,437	933,649	(89,732,438)	72,634,351
Profit before tax	26,786,506	978,068	416,306	648,448	-	28,829,328
31 December 2023	Finance and banking VND million	Securities and Fund management VND million	Insurance VND million	Asset & Liability management VND million	Net off VND million	Total VND million
Assets	931,026,034	15,886,784	19,625,338	1,763,140	(23,347,656)	944,953,640
Liabilities	837,492,036	10,300,790	15,658,457	720,035	(15,928,837)	848,242,481
Fixed assets	4,177,476	214,079	413,874	48,757	-	4,854,186
Income	173,430,362	1,886,673	9,313,473	1,201,030	(92,636,688)	93,194,850
Expenses	148,818,853	1,184,910	8,807,088	714,598	(92,636,688)	66,888,761
Profit before tax	24,611,509	701,763	506,385	486,432	-	26,306,089

5. Risk management policies related to financial instruments

MB's orientation is to become a diversified financial group. Therefore, the use of financial instruments, including funding from customers (with deposit products and valuable papers issued) and investments in high quality financial assets has become the key activities to help MB gain necessary interest rate gaps. From the risk management perspective, MB is required to maintain the structure of assets, liabilities and equity (including balance sheet items and off-balance sheet items) for the purpose of ensuring safety and mitigating risks in banking activities. In addition, MB has invested in securities or granted credit facilities to other banks. The risks related to currency exchange and interest rates have been managed through applying of position limits to restrict over-concentration and simultaneously participating in activities with balancing impact to minimise risks. By holding various assets being high quality financial instruments, the structure of MB's Consolidate statement of financial position would be able to protect MB from significant risks during its business processes and ensure liquidity. In addition, MB has been also involved in many derivatives transactions related to financial instruments such as currency forward commitments, currency swap commitments, and interest rate swap commitments for the purpose of managing currency risk.

In the process of credit risk management, MB has adopted the Credit Handbook which provides in details the lending policies and procedures as well as implementation guidance on standardisation of MB's credit activities. Liquidity risk is limited by holding appropriate amounts of cash and cash equivalents as demand deposits ("Nostro"), term deposits at the SBV and other credit institutions and valuable papers. The safety ratios with risk factors taken into account are also used to manage liquidity risk. MB has regularly assessed interest rate gaps, compared to the gaps of domestic markets and international markets to make timely adjustments. In addition, the application of internal risk management processes has become more efficient owing to the deployment of Centralised Capital Management System and Centralised Payment System in which all capital and payment transactions of MB are executed by the Head Office. Such centralisation has also helped MB to monitor capital movements more effectively and reduce any possible errors and unnecessarily complicated procedures.

5.1. Credit risk

Credit risk is the inherent risk in the business activities of banks. Credit risk is the possibility of loss due to customers' failure to perform or inability to perform their obligations as committed.

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

- ▶ Establish appropriate credit risk management environment;
- ▶ Operate under healthy credit granting procedure;
- ▶ Maintain managing, measuring and supervising procedure; and
- ▶ Ensure adequate control on credit risk.

MB conducts credit review through multiple levels to ensure that a credit is independently reviewed; at the same time, the loan approval is done on the basis of the credit limit assigned to each competent level. In addition, MB's credit approval model has the participation of the Credit Council to ensure that credit approval activities are concentrated with the highest quality.

MB is using an internal credit rating system approved by the SBV as a management tool to manage credit risk, whereby each customer is rated at a risk level. This risk level may be revised and updated from time to time. Data and ratings of customers throughout the system are controlled and centrally managed at the Head Office. This is the basis for granting credit and providing services to customers as well as making provision for credit risks in accordance with regulations.

5.2. Market risks

5.2.1 Interest risks

MB's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature at different times or in differing amounts. Some assets have indefinite maturities or interest rate sensitivities and are not readily matched with specific liabilities.

The following table shows MB's assets and liabilities categorised by the contractual re-pricing period or maturity date and the effective interest rates as at the reporting date.

The interest rate re-pricing term is the remaining period from the date of preparation of the financial statements to the most recent interest repricing period of the assets and liabilities items. The following assumptions and conditions have been adopted in the analysis of repricing period of interest rate of the assets and liabilities of MB:

- ▶ Cash, gold, and gemstones; long-term investments and other assets (including fixed assets and some other assets) are classified as non-interest bearings;
- ▶ Deposits at the State Banks are classified as demand deposits, therefore interest re-pricing term is classified as up to one month;
- ▶ The interest rate re-pricing term of investment securities and trading securities is determined as follows:
 - Items with fixed interest rates for the duration of the contract: The interest rate re-pricing term is based on the actual maturity from the end of accounting period;
 - Items with floating interest rates: The effective interest rate re-pricing term is based on the latest interest rate re-pricing date from the end of accounting period;
 - Investment securities and trading securities which are equity securities are classified as not affected by interest rate re-pricing.
- ▶ The interest rate re-pricing term of deposits and loans to credit institutions, loans to customers granted and trusted for granting; due from the Government and the State Bank; deposits and loans from credit institutions; customers' deposits; other borrowed and entrusted funds that credit institutions bear risks and valuable papers issued are determined as follows:
 - Items with fixed interest rates for the duration of the contract: The interest rate re-pricing term is based on the maturity from the end of accounting period;
 - Items with floating interest rates: The interest rate re-pricing term is based on the latest interest rate re-pricing date from the end of accounting period;
- ▶ Other liabilities are classified as not affected by interest rate re-pricing.

Classification of assets and liabilities as at 31 December 2024 as follows:

Unit: VND million

Unit: VND million

			Interest re-pricing period					
	Overdue	Non-interest bearing	Up to 1 month	From 1 – 3 months	From 3 – 6 months	From 6 – 12 months	Over 12 months	Total
Assets								
Cash, gold and gemstones	-	3,349,166	-	-	-	-	-	3,349,166
Balances with the State Bank	-	29,825,253	-	-	-	-	-	29,825,253
Placements with and loans to other credit institutions (*)	-	-	64,954,583	3,885,740	2,718,747	2,535,499	2,696,919	76,791,488
Securities held for trading (*)	-	212,152	7,719,682	-	-	-	-	7,931,834
Derivatives and other financial assets	-	-	-	-	-	-	-	-
Loans to customers and debt purchase (*)	18,894,036	-	251,016,585	282,018,924	97,486,454	85,893,184	42,390,025	777,699,208
Investment securities (*)	226,635	-	20,895,655	20,328,109	21,361,341	42,640,018	104,668,702	210,120,460
Long-term investments (*)	-	775,670	-	-	-	-	-	775,670
Fixed assets	-	5,664,531	-	-	-	-	-	5,664,531
Other assets (*)	291,790	28,900,121						29,191,911
Total assets	19,412,461	68,726,893	344,586,505	306,232,773	121,566,542	131,068,701	149,755,646	1,141,349,521
Liabilities								
Due to the Government and SBV	-	-	8,156,285	-	-	-	-	8,156,285
Deposits and borrowings from other credit institutions	-	-	89,519,309	8,597,611	3,590,615	8,462,050	-	110,169,585
Customers deposits	-	-	386,473,392	120,624,054	114,310,515	80,948,040	11,798,478	714,154,479
Derivatives and other financial liabilities	-	-	(193,425)	72,330	91,253	153,387	68,000	191,545
Other borrowed and trusted funds	-	-	540,433	1,411,277	774,781	-	66,962	2,793,453
Valuable papers issued	-	-	4,899,998	5,050,569	30,297,714	35,928,347	52,787,405	128,964,033
Other liabilities (*)	-	47,311,049	-	-	-	-	-	47,311,049
Total liabilities	-	47,311,049	489,395,992	135,755,841	149,064,878	125,491,824	64,720,845	1,011,740,429
Interest sensitivity gap (on balance sheet items)	19,412,461	21,415,844	(144,809,487)	170,476,932	(27,498,336)	5,576,877	85,034,801	129,609,092

(*): These items do not include provisions

5.2.2 Currency risks

Currency risk is the risk that the value of a financial instrument fluctuates due to changes in foreign exchange rates. MB was incorporated and operates in Vietnam, with VND as its reporting currency. The major currency in which MB transacts is VND. MB's loans and advances to customers were mainly denominated in VND and USD. Some of MB's other assets are in currencies other than VND and USD. MB's management has set limits on positions by currency based on the internal risk assessment system of MB and regulations of the SBV. Positions are monitored on a daily basis and hedging strategies used to ensure positions are maintained within established limits.

Classification of assets and liabilities in foreign currencies translated into VND as at 31 December 2024 as follows:

Unit: VND million

	<i>USD equivalent</i>	<i>EUR equivalent</i>	<i>Other currencies equivalent</i>	<i>Total</i>
Assets				
Cash, gold and gemstones	256,940	48,988	57,730	363,658
Balances with the State Bank	2,472,885	2,407	140,486	2,615,778
Placements with and loans to other credit institutions	4,690,728	487,551	2,015,671	7,193,950
Derivatives and other financial assets	-	-	-	-
Loans to customers	38,586,938	-	1,151,561	39,738,499
Investment securities	-	-	57,261	57,261
Long-term investments	-	2,731	-	2,731
Fixed assets	231,468	-	4,374	235,842
Other assets	2,251,403	107,619	42,294	2,401,316
Total assets	48,490,362	649,296	3,469,377	52,609,035
Liabilities				
Deposits and borrowings from the SBV and other credit institutions	18,085,016	127,196	803,897	19,016,109
Customer deposits	30,145,358	5,030,936	1,067,443	36,243,737
Derivatives and other financial liabilities	(2,001,169)	(3,142,023)	1,071,786	(4,071,406)
Other liabilities	2,202,352	14,243	167,702	2,384,297
Total liabilities	48,431,557	2,030,352	3,110,828	53,572,737
FX position on balance sheet	58,805	(1,381,056)	358,549	(963,702)
FX position off balance sheet	(150,297)	26,715	47,747	(75,835)
FX position on, off balance sheet	(91,492)	(1,354,341)	406,296	(1,039,537)

5.2.3 Liquidity risks

Liquidity risk includes the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

MB uses appropriate risk measurement with operation scale and availability of information system, ensuring risk reduction requirements are met. Liquidity risk is measured through the use of indicators related to cash flows, capital mobilisation capability, and asset liquidity of MB. MB also has a designated unit to obtain updated domestic and foreign economic information, which directly affects MB's trading book and business strategies, as well as on forecasting movements of market factors such as the foreign exchange rate, interest rate and gold price for timely risk warnings. MB also establishes and applies a limit system and decision authority at each level based on results of risk measurement for each category.

The following table provides an analysis of the assets and liabilities of MB into relevant maturity groupings based on the remaining period from the reporting date to repayment date. In practice, the actual maturity of assets or liabilities may differ from contractual terms based on the addenda to the contracts which may exist.

The following assumptions and conditions have been adopted in the analysis of the maturity period of MB's assets and liabilities:

- ▶ Balances at the State Bank are classified as demand deposits, including compulsory reserve deposits. The balance of compulsory reserve deposits depends on the composition and terms of MB's deposits from customers;
- ▶ The maturity term of placements with and loans to credit institutions and loans to customers is determined based on the maturity date of the specified contract. Actual maturities may vary as loan agreements are extend. In addition, customer loans are recorded at principal value excluding risk provisions;
- ▶ Securities held for trading are classified into items with terms within one (1) month;
- ▶ The maturity investment securities being debt securities is determined based on the maturity date of each type of securities;
- ▶ The maturity term of available-for-sale investments which are equity securities and equity investments are classified into items with terms from one (1) year to five (5) years since these investments have no maturity date;
- ▶ Deposits and borrowings from other credit institutions and customer deposits are determined based on the nature of these items or the maturity date on the contract. Vostro accounts and demand deposits are transacted as required by customers and are therefore classified as demand deposits. The maturity term for borrowings and term deposits is determined based on the maturity date in accordance with the contract. In fact, these accounts may be renewed and therefore maintained for longer than the original maturity date;
- ▶ The maturity of the valuable paper issued is determined based on the maturity date of each valuable paper; and
- ▶ The maturity term of fixed assets is determined as having term from one (1) to five (5) years.

Classification of assets and liabilities as at 31 December 2024 as follows:

Unit: VND million

	Overdue	Up to 1 month	From 1 – 3 months	Current From 3 – 12 months	From 1 – 5 years	Over 5 years	Tổng cộng
Assets							
Cash, gold and gemstones	-	3,349,166	-	-	-	-	3,349,166
Balances with the State Bank	-	29,825,253	-	-	-	-	29,825,253
Placements with and loans to other credit institutions (*)	-	64,954,583	3,885,740	5,254,246	2,696,919	-	76,791,488
Securities held for trading (*)	-	7,931,834	-	-	-	-	7,931,834
Derivatives and other financial asset	-	-	-	-	-	-	-
Loans to customers and debt purchase (*)	18,894,036	43,910,197	121,190,706	291,621,012	152,724,625	149,358,632	777,699,208
Investment securities (*)	226,635	2,003,036	9,611,758	67,504,868	51,717,125	79,057,038	210,120,460
Long-term investments (*)	-	-	-	-	775,670	-	775,670
Fixed assets	-	-	-	-	5,664,531	-	5,664,531
Other assets (*)	291,790	26,208,728	524,101	1,905,589	254,222	7,481	29,191,911
Total assets	19,412,461	178,182,797	135,212,305	366,285,715	213,833,092	228,423,151	1,141,349,521
Liabilities							
Due to the Government and the SBV	-	8,156,285	-	-	-	-	8,156,285
Deposits and borrowings from other credit institutions	-	89,519,309	8,597,611	12,052,665	-	-	110,169,585
Customers deposits	-	386,473,392	120,624,054	195,258,555	11,778,306	20,172	714,154,479
Derivatives and other financial liabilities	-	(220,132)	59,511	244,640	107,526	-	191,545
Other borrowed and trusted fund	-	540,433	1,411,277	774,781	62,249	4,713	2,793,453
Valuable papers issued	-	4,899,998	5,050,569	66,226,061	39,686,560	13,100,845	128,964,033
Other liabilities (*)	-	46,748,896	50,817	473,467	37,525	344	47,311,049
Total liabilities	-	536,118,181	135,793,839	275,030,169	51,672,166	13,126,074	1,011,740,429
Net liquidity gap	19,412,461	(357,935,384)	(581,534)	91,255,546	162,160,926	215,297,077	129,609,092

(*): These items do not include provisions.

6. Exchange rates as at reporting date:

	31/12/2024 VND	31/12/2023 VND
USD	25,450.00	24,250.00
EUR	26,715.00	27,079.00
GBP	32,025.00	30,901.00
JPY	163.92	172.16
CHF	28,340.50	28,942.00
AUD	15,915.50	16,559.00
CAD	17,841.50	18,385.00
SGD	18,808.00	18,454.00
THB	752.87	712.98
SEK	2,324.87	2,455.18

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