

ANNUAL REPORT 2018



CERTIFICATE OF MERIT
BY THE GOVERNOR OF
THE STATE BANK OF
VIETNAM



BEST BANK FOR
SUSTAINABLE
DEVELOPMENT
VIETNAM 2018



TOP 100 VIETNAM
GOLD STAR AWARD



TOP 500 LARGEST
ENTERPRISES IN
VIETNAM (VNR500)



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I. GENERAL INFORMATION

CEO MESSAGE

Dear shareholders and customers,

Vietnam's economy in 2018 saw the highest growth over the past 10 years, creating favorable conditions for the restructuring of the financial and banking system. The bank's business activities continued to grow in terms of both scale and quality. VietABank's position has been increasingly affirmed in the market and recognized by community.

Overcoming challenges, VietABank continued to be recognized by customers and organizations with both domestic and international awards

- Certificate of Merit from the Governor of the State Bank of Vietnam

- Best Bank for Sustainable Development Vietnam 2018 award from Global Banking and Finance Review

- Excellent Brand award from Vietnam Economic Times

- Vietnam Gold Star award from Vietnam Young Entrepreneurs Association

- Top 500 Largest Enterprises in Vietnam in 2018 as voted by Vietnam Report - VNR and VietNamNet.

VietABank sets goal for 2019 including: continue strengthening financial capacity, expanding network, creating new breakthroughs in service quality through applying high-tech platforms to management and operation. This will lay solid foundations for VietABank to realize its growth strategy, operate safely, and develop sustainably, providing high quality financial services to customers.



With strong support of shareholders, customers and the solidarity of employees, VietABank is determined to work with the highest sense of responsibility, striving to complete the business plan which will create foundations for the bank's sustainable development.

May I wish you good health, happiness and success!

With regards,

A handwritten signature in blue ink, consisting of a stylized 'N' followed by a long horizontal stroke.

Nguyen Van Hao
CEO

1. GENERAL INFORMATION

Official names for transactions:

- ▶ **Full name in Vietnamese:**
- ▶ **Abbreviated name in Vietnamese:**
- ▶ **Full name in English:**
- ▶ **Abbreviated name in English:**
- ▶ **Enterprise Registration Certificate number:**
- ▶ **First registration on:**
- ▶ **Registration of 25th adjustment on:**
- ▶ **Charter capital:**
- ▶ **Headquarter:**

- ▶ **Tel - Fax:**
- ▶ **Website:**

Ngân hàng thương mại cổ phần Việt Á
NH TMCP Việt Á
Vietnam Asia Commercial Joint Stock Bank
VietABank
0302963695
19 of June, 2003
07 of November, 2017
3,500 billion VND
34A – 34B Han Thuyen, Pham Dinh Ho ward,
Hai Ba Trung district, Hanoi, Vietnam
(024) 39 333 636 - (024) 39 336 426
www.vietabank.com.vn



Vietnam Asia Commercial Joint Stock Bank was established on 04 of July, 2003 by merging the two long-standing credit organizations in the Vietnam financial and monetary market, Sai Gon Financial Joint Stock Company and Da Nang Agriculture Joint Stock Commercial Bank. As a young, dynamic bank, VietABank's development orientation is attached to the slogan "Companion with ambition", to be a strong leverage point for individual customers and accompany enterprises in Vietnam economic development.

Over 16 years of establishment and development, VietABank has gained certain accomplishments, as well as contributed significantly to national economic stabilization. VietABank makes constant efforts to confirm its position as a bank with the best credibility in the market, high quality services, attractive interest rates, and to provide premium, safe, flexible products and services to customers.

Choosing VietABank, customers are fully assured of dedicated customer service, diversified products and services that meet all practical needs with added values for customers while ensuring safety and confidentiality. VietABank always keeps in mind its mission of increasing investment values for sustainable development.

With continuous efforts, VietABank has won superior titles by credible organizations in the financial market. With a long list of annual awards earned over the years, VietABank is confident to further confirm its position in the market.

With their expertise and dedication, VietABank staff have constantly strived to develop an equal, professional, civilized environment with mutual respect, trust and support to reinforce solidarity and sustainable development. To make sure all international standards in business operation are met, VietABank makes every effort to become one of the leading commercial joint stock banks in Vietnam in the near future.

From its secured accomplishments, VietABank has laid a solid foundation for its growth in the next stage of development.

2. BUSINESS SCOPES AND AREAS

Business scopes

- ▶ Mobilizing capital in the short, medium and long terms in the forms of non-term deposit, term deposit, promissory notes, bonds and valuable papers;
- ▶ Receiving investment trust capital;
- ▶ Receiving capital from domestic and international credit organizations;
- ▶ Offering short, middle and long term loans to economic organizations and individuals;
- ▶ Discounting of commercial promissory notes, bonds and

valuable papers; Contributing capital to buy stock in eligible proportion and participating in joint ventures;

- ▶ Providing payment services for customers;
- ▶ Trading on foreign currencies and gold; Performing international payments and other banking services authorized by the State Bank of Vietnam.
- ▶ VietABank and Chubb Life Vietnam signed partnership agreement, aimed at providing financial services, life insurance to customers and receiving insurance payment at VietABank transaction's offices.

Business areas

As of 31 of December 2018, VietABank had 91 branches and transaction offices operating nationwide, dividing into 4 regions:

- ▶ The Northern region and Hanoi: 15 transaction offices
- ▶ The Central and Central Highlands: 22 transaction offices
- ▶ The Southeast region and Ho Chi Minh City: 37 transaction offices
- ▶ The Southwest region: 17 transaction offices





II. ORGANIZATIONAL STRUCTURE

1. BOARD OF DIRECTORS



MR. PHUONG HUU VIET

CHAIRMAN OF THE BOARD OF DIRECTORS

Chairman of the Board of Directors of VietABank since 2011. Ph.D. in Economics, Bachelor of Economics and Water Transport Organization, Odessa Maritime Academy (Russia). He has almost 30 years' experience in the economics sector.



MR. PHAN VAN TOI

VICE CHAIRMAN OF THE BOARD OF DIRECTORS

Bachelor of Foreign Trade and Economics. Member of the Board of Directors of VietABank since 2012.



MR. PHUONG XUAN THUY

VICE CHAIRMAN OF THE BOARD OF DIRECTORS

Master of Business Administration. Over 20 years' experience in finance.



MR. NGUYEN VAN HAO

MEMBER OF THE BOARD OF DIRECTORS - CEO

Master of Economics. Over 20 years' experience in finance, banking, holds many managerial and executive positions at domestic and international credit organizations.



MR. TRAN TIEN DUNG

MEMBER OF THE BOARD OF DIRECTORS - DEPUTY CEO

Bachelor of Business Law. Over 20 years' experience in finance, holds many important positions.



MS. NGUYEN THI LAN HUONG

INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS

Bachelor of Foreign Trade and Economics. Over 30 years' experience in banking and finance.

CHANGES WITH MEMBERS OF THE BOARD OF DIRECTORS

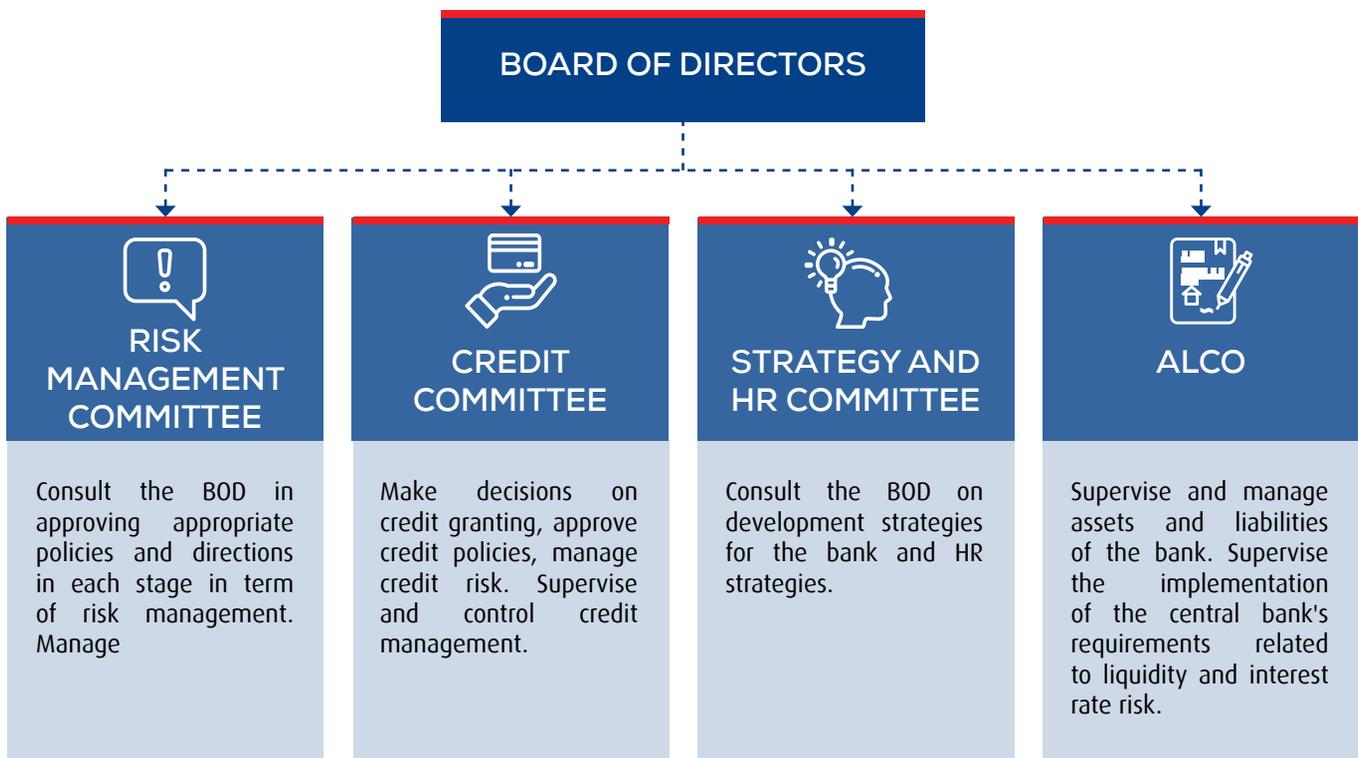
Board of Directors for the term 2018-2023

- ▶ Mr. Phuong Xuan Thuy has been Vice Chairman of the Board of Directors since June 16th, 2018.
- ▶ Mr. Nguyen Van Hao has been Member of the Board of Directors since April 26th, 2018.
- ▶ Mr. Tran Tien Dung has been Member of the Board of Directors since April 26th, 2018.
- ▶ Ms. Nguyen Thi Lan Huong has been Independent Member of the Board of Directors since April 26th, 2018.

MAJOR FUNCTIONS OF THE BOARD OF DIRECTORS AND SUBORDINATE COMMITTEES

Board of Directors (BOD): The Governance body of VietABank with members elected in the General Shareholders' Meeting. BOD has the function of supervising and making pivotal decisions relating to VietABank's activities in order to achieve the Bank's strategic goals, generating sustainable values for Shareholders and Customers.

COMMITTEES UNDER THE BOD



2. BOARD OF SUPERVISORS



CHANGES WITH MEMBERS OF THE BOARD OF SUPERVISORS

- Board of Supervisors for the term 2018-2023:
Mr. Hoang Vu Tung has been Member of the Board of Supervisors since April 26th, 2018

MAJOR FUNCTIONS OF THE BOARD OF SUPERVISORS AND INTERNAL AUDITING

- The Board of Supervisors is the monitoring body of the bank's operations in accordance with legal regulations and the Bank's Charter, with members elected at the General Shareholders Meeting.

3. BOARD OF MANAGEMENT



MR. NGUYEN VAN HAO
CEO

Master of Economics. Over 20 years' experience in finance, banking, holds many managerial and executive positions at domestic and international credit organizations.



MR. PHAM LINH
DEPUTY CEO

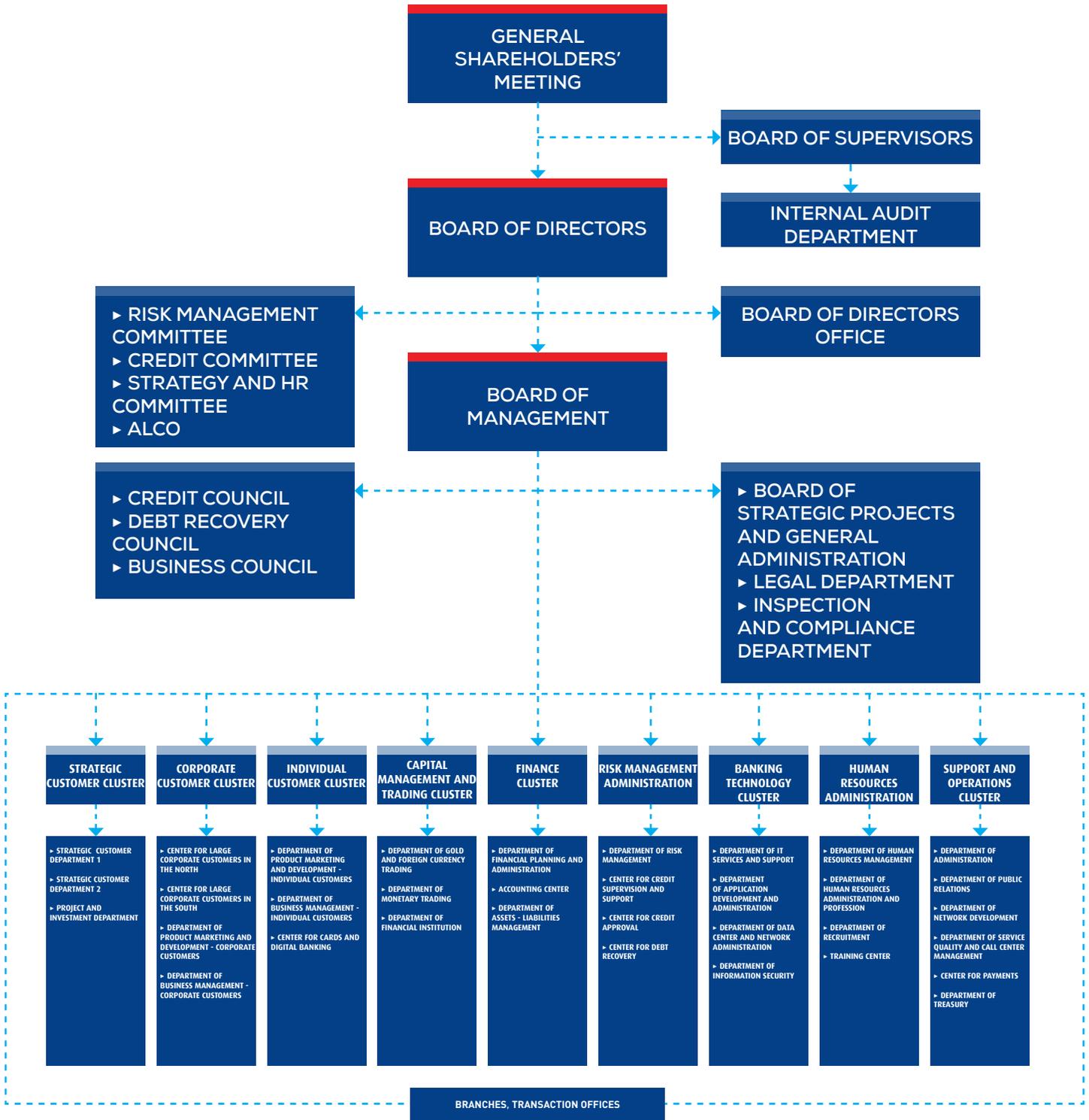
Ph.D. in Economics. Nearly 20 years' experience in finance and banking, holds senior management positions in credit organizations.



MR. TRAN TIEN DUNG
DEPUTY CEO

Bachelor of Business Law (Ho Chi Minh City University of Law). Almost 20 years' experience in finance, holds many important positions.

4. ORGANIZATIONAL STRUCTURE





III. BUSINESS PERFORMANCE IN 2018

1. BUSINESS CLIMATE IN 2018



Macro economy: GDP in 2018 increased by 7.08%, higher than 2017 (6.81%), exceeding the annual target of 6.7%. This is the record growth rate over the last 10 years. Average CPI expanded 3.54% from 2017, meeting the National Assembly's target.

Total means of payment increased by 11.34% as compared to the end of 2017. The mobilized capital of credit organizations increased the same as 2017, reaching 14%. Credit growth of the economy reached 14% (lower than 2017), the lowest growth over the last 3 years. However, it is in line with the inflation target and economic growth support. System liquidity was sufficient but less abundant at the end of the year.

Interest rate was in upward trend due to credit institutions' capital restructures to ensure the adequacy ratios in 2019. The credit institutions' ratio of short-term capital for medium and long-term loans dropped to 40% and the system prepared to increase Tier 2 capital under Basel II.

USD/VND exchange rate increased slightly. The central exchange rate increased by about 1.5% compared to the beginning of the year; commercial banks' exchange rate increased by 2.8%; the free market exchange rate increased by about 3.5% compared to the beginning of the year. Foreign exchange reserves reached a record of USD63 billion (equivalent to 12 weeks of import and export), generating a plentiful foreign currency supply.

The credit institutions' non-performing loans ratio was 2.4%

Profits are still concentrated in some large commercial banks thanks to high credit growth, increased non-interest income (mainly from insurance) and low capital cost advantages. The profitability of small and medium commercial banks is still low due to competition and the restructuring process which required high provision, capital and asset restructure costs.



2. BUSINESS PERFORMANCE OF VIETABANK IN 2018

2.1 BUSINESS RESULTS IN 2018

Unit: Billion VND

| INDICATORS | 2017 | 2018 | COMPARE | |
|---------------------------------|--------|--------|---------|-------|
| | | | + -2017 | %2017 |
| Total assets | 64,434 | 71,291 | 6,857 | 10.6% |
| Total deposits | 59,336 | 65,763 | 6,427 | 10.8% |
| Deposits Market 1 | 36,566 | 43,049 | 6,483 | 17.7% |
| Deposits Market 2 | 22,770 | 22,714 | (56) | -0.2% |
| Total outstanding loans | 34,626 | 38,516 | 3,890 | 11.2% |
| NPLs/ Total outstanding loans | 2.68% | 1.7% | -1.31% | |
| Profit before tax (accumulated) | 122 | 151 | 29 | 23.4% |



TOTAL ASSETS

VND71,291 BILLION

Increased by VND 6,857 billion or 10.6% against 2017.

TOTAL DEPOSITS

VND65,763 BILLION

Increased 10.8% (VND6,427 billion) compared to 2017. Deposits from market 1 reached VND43,049 billion, equal to an increase of 17.7% compared to 2017. Deposits from market 2 reached VND22,714 billion, equivalent to the end of 2017. Positive deposit growth helps meet credit growth demand and ensure liquidity balance of the entire system.

LENDING ACTIVITIES

The bank has made efforts to boost credit growth in 10 key industries, disbursing for customers with high credit ratings, and strengthening risk and debt management after disbursement. By 31 December 2018, the bank's total outstanding loans reached VND38,516 billion, up VND3,890 billion compared to 2017.

2018 PROFIT BEFORE TAX

VND151 BILLION

Increased by VND 29 billion against 2017

2018 NPL RATIO

1.37 %

Decreased 1.31% against 2017

In 2018, the bank focused on debt settlement task, attempting to deal with debts by numerous drastic measures.

SOME FINANCIAL INDICATORS

Unit: Billion VND

| INDICATORS | 2017 | 2018 | +/- % |
|---------------------------------------|--------|--------|--------|
| Charter capital | 3,500 | 3,500 | 0.0% |
| Total assets | 64,434 | 71,291 | 10.6% |
| Capital adequacy ratio (CAR) | 10.24% | 10.09% | -1.5% |
| Deposits from customers | 36,566 | 43,049 | 17.7% |
| Loans to customers | 34,226 | 37,916 | 10.8% |
| Investment | 10,701 | 10,302 | -3.7% |
| Overdue debts | 1,061 | 544 | -48.7% |
| NPLs | 916 | 520 | -43.2% |
| Overdue debts/Total outstanding loans | 3.10% | 1.43% | -53.7% |
| NPLs/ Total outstanding loans | 2.68% | 1.37% | -48.8% |
| Net interest income | 989 | 1,179 | 19.2% |
| Operation expenses | 559 | 564 | 0.9% |
| Profit before tax | 122 | 151 | 23.4% |
| Profit after tax | 99 | 118 | 19.8% |

2.2 BANKING SERVICES AND SERVICE QUALITY MANAGEMENT



In 2018, VietABank continued to complete, upgrade the technology system, transaction counters appearance, renew the human resource training program, which significantly helped improve the quality of VietABank's services at transaction counters.

Treasury operation has been transformed from decentralized management model to centralized one, which is compatible with modern banking management model. Numerous treasury safety monitoring tools including compliance and cash flow monitoring programs have been successfully applied, facilitating safe, smooth and effective treasury operation with timely support from the Head Office for every region.

Payment activities were also significantly improved in terms of technology and transaction volume. Ideas for process improvement and solutions to automated transactions have replaced a variety of manual operation steps, helping greatly improve VietABank payment services quality as well as labor productivity in 2018, the number of employees decreased while revenue increased.

Marketing and communications activities have contributed positively to promoting VietABank image and brand to customers and investors. VietABank website continued to be upgraded toward user-friendly design and usage. Promotion programs to mobilize capital and promote VietABank brand were conducted effectively.

In 2018, total number of transaction offices of the whole system is 91. At the end of 2018, the State Bank of Vietnam gave license to VietABank to establish 3 new branches in Hanoi including Hoan Kiem, Cau Giay and Hai Ba Trung and 4 new transaction offices in other provinces/cities. In 2019, these new branches and transaction offices will be opened and put into operation, bringing the total number of branches and transaction offices of VietABank to 98 nationwide.



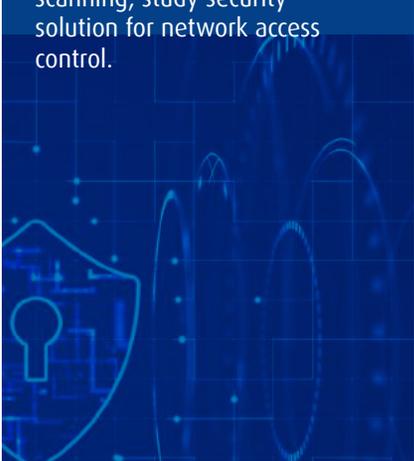
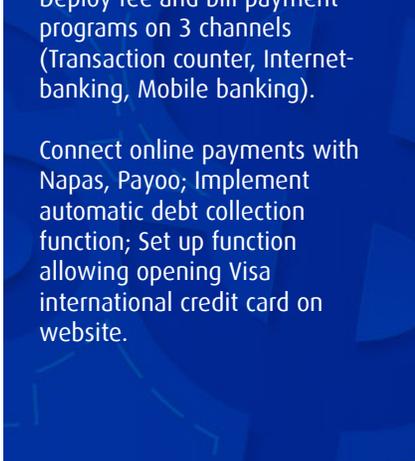
2.3 HUMAN RESOURCE DEVELOPMENT

VietABank has continuously organized internal and outsourced training courses across the system. Employees also attend external training classes to improve capability and professions in all levels, from management to operating staff, as well as to build up fundamental skills for newly-recruited staff.



2.4 INFORMATION TECHNOLOGY AND SYSTEM MANAGEMENT

VietABank has made breakthroughs by applying modern technology in the Bank's operations:

| | | |
|--|---|---|
| <h3>01</h3> <p>Upgrade the process and interface of Mobile Banking and Internet Banking system.</p>  | <h3>02</h3> <p>Optimize the security system through completing the upgradation of intrusion detection solution, study DLP data loss prevention solution, complete security vulnerability scanning, study security solution for network access control.</p>  | <h3>03</h3> <p>Complete VietABank – Gigabank project; Deploy Chubblife premium collection service over the counter and on Internet Banking;</p> <p>Deploy fee and bill payment programs on 3 channels (Transaction counter, Internet-banking, Mobile banking).</p> <p>Connect online payments with Napas, Payoo; Implement automatic debt collection function; Set up function allowing opening Visa international credit card on website.</p>  |
|--|---|---|

2.5 RISK CONTROL AND COMPLIANCE MANAGEMENT



Risk management at VietABank has always been one of the key tasks which are maintained regularly and continuously in association with the bank's business activities.

In 2018, VietABank continued to strengthen the review and amendment of document systems related to credit extension, credit management, risk control, and operation, etc. in accordance with current laws and the Board of Directors' risk management objective.

01

Continuing to focus on controlling credit before, during and after disbursement, improving credit quality, maintaining conservative lending policies, ensuring to minimize possible risks to new credit facilities.

02

Finalizing the formulation, issuance and amendment of policies, regulations and guidelines related to credit extension in accordance with the orientation of the Board of Directors, the State Bank's regulations and current laws such as Regulation on credit extension ratio, Regulation on debt trading...

03

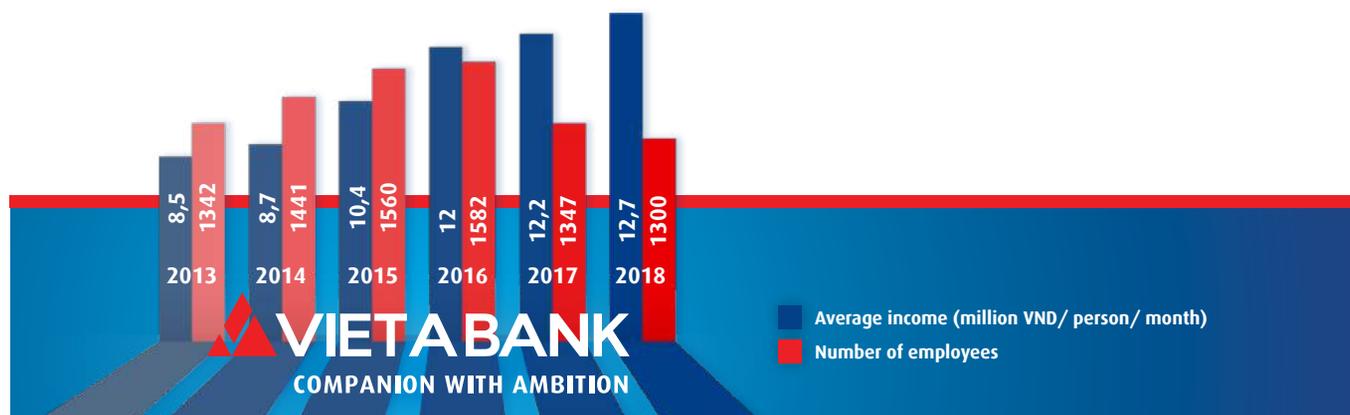
Managing liquidity and market risks – developing a liquidity safety management index system as a basis for internal liquidity safety management; credit limit system, monitoring and controlling, timely reporting to ensure market risk is managed.

04

Managing operational risk: participating in developing defense lines and controls of cash vaults and important print documents; Issuing transaction limits for depositing activities; Developing a risk handbook on cash management, cascading to each business unit for learning and early risk detection.

3. HUMAN RESOURCES POLICY

3.1 HUMAN RESOURCES



3.2. HUMAN RESOURCES POLICY

► Recruitment

In 2018, VietABank recruited additional 439 employees. The bank step-by-step enhanced its image through promotion campaigns on the media and other activities to attract candidates at universities and job fairs.

► Benefits

VietABank's policies for salaries, bonuses and benefits were evaluated, reviewed and developed in the direction that matches employees' income with work performance. The policy was applied and implemented in the whole system in 2019.

Emulation programs were organized by departments/business units to create a momentum for employees to promote their own capability and determination to fulfill business plans.

► Insurances, welfare

VietABank always complies with insurance and welfare policies in accordance with legal regulations (social insurance, unemployment insurance, health insurance).

Besides compulsory welfare in accordance with legal regulations, VietABank has independent welfare policies to create a good working environment and strengthen the relationship between employees and the organization:

- Staff reward on national holidays, birthdays
- Maternity and sickness benefits
- Banking uniform and out-of-office uniform
- Annual vacation
- Teambuilding programs to promote and enhance connection
- Preferential loans for staff

► Training and development

In 2018, VietABank's human resource quality was improved through rejuvenating program and increased quality standards for personnel selection, in parallel with the deployment and organization of many internal and outsourced training courses.

Training was focused on strengthened with direct-training time across the system reaching 17,265 hours and 438 E-learning courses.

VietABank has conducted 19 full-time training courses to study Chubb Life Insurance products for 546 employees of business units throughout the system.

In 2018, VietABank training center updated and upgraded the direct E-learning training system and training website to increase utilities and functions for users, creating favorable conditions for employees to promote their self-learning, self-training, self-improvement capacity, supporting employees in their career development.



4. HIGHLIGHTS IN 2018, AWARDS AND ACCOLADES

4.1 HIGHLIGHTS IN 2018



VietABank joined hands to develop agriculture in Dak Nong province and the Central Highlands region

At the Investment Promotion Conference of Dak Nong province in January 2019, VietABank was officially selected as the bank to accompany with Dak Nong province's high-tech agriculture development. Accordingly, VietABank has implemented a credit program for agricultural development which offers many incentives in accordance with the Government and the State Bank of Vietnam's supportive policies for agricultural development.

The credit program for agricultural development in Dak Nong province and the Central Highlands is a plan to realize the credit restructure strategy into agriculture of VietABank. Agriculture is also one of ten industries for sustainable banking service development of VietABank. The program is applicable for micro, small and medium enterprises in particular and in the Central Highlands region in general. Lending method is applied flexibly by time or according to the limit. The maximum loan term is up to 84 months. Besides, VietABank also improves loan procedures to help customers easily and effectively access bank loans, making the bank a real companion to support individuals and enterprises in the agriculture production.



Branches and transaction offices network expansion

State Bank Government approved to plan to establish additional 7 branches and transaction offices of VietABank nationwide.

According to document No. 8570/NHNN-TTGSNH dated 12 November 2018 and 8636/NHNN – TTGSNH dated 14 November 2018, VietABank was given permission to establish new branches in Hanoi including: Hoan Kiem, Cau Giay, Hai Ba Trung and transaction offices in Dong Nai, Binh Dinh, Binh Thuan provinces and Hai Phong.

According to State Bank of Vietnam's regulations, being given permission to open new branches and transaction offices, commercial banks must meet very strict requirements related to charter capital and prudent indicators, bad debt ratio, corporate governance conditions, internal control systems and other criteria related to banking operations.

VietABank met all the requirements and was approved by the Governor of State Bank of Vietnam to establish new branches and transaction offices nationwide at the bank's request.

The branches and transaction offices expansion at key economic regions is the plan to realise VietABank's business target in terms of total assets growth, safe and sustainable development, financial capacity enhancement and providing high-tech products and services, thereby bringing the highest financial value to customers.



Signing strategic cooperation with Chubb Life Vietnam

On June 28th, at Lotte Hotel (Hanoi), VietABank and Chubb Life Vietnam officially signed strategic cooperation to exploit and promote the strengths of both sides in business operation.

The cooperation between VietABank and Chubb Life Vietnam will bring customers great convenience when using products and services of two sides. Through this cooperation, VietABank will provide Chubb life Vietnam life insurance and health insurance with many preeminent benefits and reasonable fees to individual and institutional customers through VietABank's branch and transaction offices network in provinces across the country.

Cooperation in finance/banking services with foreign partners was one of the important targets in VietABank business operation. With the position and strong potential of two sides, the strategic cooperation between VietABank and Chubb Life Vietnam is expected to further develop and expand, bringing the highest benefits to customers.



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**TOP 100 VIETNAM
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**TOP 500 LARGEST
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4.2 AWARDS AND ACCOLADES

2018 marked the outstanding development in branding of VietABank as it received the Certificate of Merit from the State Bank for the first time as well as the international award from Global Banking and Finance Review.

► Certificate of Merit from the Governor of the State Bank of Vietnam

VietABank continued to achieve many proud achievements in 2018 thanks to its vibrant business activities. On the 15th anniversary, VietABank was honored to receive the Certificate of Merit from the Governor of the State Bank of Vietnam.

This award motivated VietABank to continue to obtain new achievements, affirming the bank's position and prestige in the market. Building on the achievements, VietABank will constantly strive to have more contributions to the banking industry as well as the country's socio-economic development.

► International award from Global Banking and Finance Review

In May 2018, VietABank was honored with the Best Bank for Sustainable Development Vietnam 2018 award from Global Banking and Finance Review (GBAF). This United Kingdom-based magazine is the world leading one in the fields of banking and finance. Every year, GBAF presents awards and accolades to honour financial organizations and businesses who have outstanding performance in business and social activities.

The award from GBAF is recognition of VietABank's success in applying its business model based on the philosophy of sustainable development. VietABank not only promotes its business activities but also actively participates in

community activities. The bank's efforts have contributed to the prosperity of customers, shareholders, and employees as well as creating more values for society, contributing to the community development.

► Top 100 Vietnam Gold Star award

On 23th December 2018, VietABank was proud to receive the "Vietnam Gold Star Award 2018". This is a prestigious award presented by Vietnam Young Entrepreneurs Association to honour company brands with strong international competitiveness.

Qualifying the three rounds of strict appraisal, VietABank had met the conditions of the Organizing Committee, particularly: Sustainable growth of asset structure, performance indicators; Competitiveness of products and services; Administration and governance and human resources development; Contribution to society; among others...

► Top 500 Largest Enterprises in Vietnam

2018 marked the 12th consecutive year that VNR500 Rankings - Top 500 Largest Enterprises in Vietnam - has officially been announced by VietNamNet newswire based on Vietnam Report's independent research and evaluation results according to international standards. VND500 honours enterprises that have made significant contributions to Vietnam's economic development. It also promotes Vietnamese enterprises' brands to domestic and international business communities.

VietABank was honored to be among Top 500 Largest Enterprises in Vietnam in 2018 and officially became a member of VNR500 Club – a club co-organized by Vietnam Report and VietNamNet newswire and other media agencies exclusively for the 500 largest companies in Vietnam. VNR500 Club is a high-class playing field for Vietnam's



leading businesses and entrepreneurs and a bridge to bring Vietnamese brands to the world.

The award is a great recognition of VietABank's achievements in its business activities.

► **Certificate of Merit from Quang Nam People's Committee**

On 8th January 2019, VietABank Hoi An celebrated its 15th anniversary. On this occasion, VietABank was honored to receive the Certificate of Merit from Quang Nam People's Committee.

Strictly adhering to the bank's business strategy in the central region, VietABank Hoi An has been operating effectively and safely, providing diverse banking services for individual customers and businesses. VietABank brand

has affirmed its position in the financial market in the central region in general and Quang Nam province in particular.

The Certificate of Merit from Quang Nam province is a testament to VietABank Hoi An's efforts over the years. The success of VietABank Hoi An is attributed to the attention, guidance and support of the leaders of Quang Nam province, the State Bank of Vietnam - Quang Nam branch and Hoi An City leaders as well as the trust and companion of customers.

The awards and honors have shown the appreciation of domestic and foreign organizations for the quality of the bank's products and services and contributions to the economy. The awards have also shown the growth of VietABank not only in terms of business operations but also in brand strength and position in Vietnam's financial and monetary market.



5. SOCIAL ACTIVITIES

2018 is the year marking a lot of remarkable community and volunteer activities of VietABank. Some highlighted programs include: "VietABank - 15 years of accompanying with the aspirations" - a volunteer program of the whole system; flood victims support; "Giving wings to dreams - 2018"; the 10th "Sympathetic Hearts" program - join hands to take care of the seriously ill children and victims of Agent Orange. The bank also accompanied the first "Tet for Vietnamese Agent Orange victims" program 2018.

Through these activities, VietABank's employees promoted the solidarity tradition of Vietnamese people, fulfilling their responsibilities for the community.



"VietABank - 15 years of Companion with Ambition" charity program

"VietABank - 15 years of Companion with Ambition" charity program

As part of a series of activities to celebrate the bank's 15th anniversary, the charity program across VietABank, which shared not only material but also the philanthropy, received positive response from all employees at transaction points.

The enthusiasm and dedication of VietABank's employees were reflected from the first stage of brainstorming the charity program. Each branch, transaction office of VietABank across the country was given 1 lucky coin worth VND5 million. With that sum of money, the bank's units had to be creative in "mobilizing" donations so that the money could be grown big enough to organize a charity program.

The "Stalls of Love - Sharing Love" at VietABank's transaction points had continuously received great support and appreciation from customers, partners and employees. The VietABank's branches and transaction offices had been very creative in calling for donations such as: Selling national flags when Vietnam's national football team played in a match; Registering to participate in local football tournaments to interact with unions and organizations, and donate all bonuses to raise funds. Many branches doubled their creativity and love in helping consume products made by local people with disabilities and considered it a way to raise funds for charity.

After 2 months of implementing the program (from 10 November 2018 to 10 January 2019), VietABank's branches and transaction offices had significantly grown the lucky coin value from the initial sum of VND5 million, donating 8,250 sets of valuable gifts to people living with difficulties across the country.

Each branch and transaction office at VietABank organized a charity program for disadvantaged people depending on conditions of each locality. Therefore, the social security activities were diverse in terms of organizing method and target beneficiaries.

The program created the "VietABank blue color" effect, spreading the beautiful images of the bank to the community. Many local radio and television stations as well as electronic



"VietABank - 15 years of Companion with Ambition" charity program

newspapers made the news on the activities of VietABank not only about business awards but also social security activities.

Shouldering to support flood victims

At end-June 2018, floods and landslides occurred in the Northwest mountainous provinces, particularly Lai Chau, Ha Giang and Lao Cai and caused extremely heavy loss of people and assets. With the tradition of mutual love, and corporate social responsibility, responding to the call of the banking sector's union, VietABank had donated more than VND83,000,000 to the flood victims. Such gift encouraged and provided strength and belief to the people in the affected area, helping them to overcome the natural disasters and soon stabilize their living conditions.



"Giving wings to dreams 2018" program

"Giving wings to dreams 2018" program

Between 4 and 5 August 2018, youth union representatives of VietABank put on volunteer blue shirts and joined the State Bank of Vietnam - Hanoi branch to visit and present gifts to students and families living with difficulties in Van Yen and Chu Phan communes in the district of Me Linh, Hanoi.

The program donated funds for building and repairing houses for 12 poor households in Chu Phan commune and 04 households in Van Yen commune worth VND150 million, donating 2 assembled swimming pools for Van Yen Primary School and Chu Phan Secondary School worth VND140 million, giving a tree garden to Chu Phan Secondary School worth VND15 million and presenting 20 sets of gifts including milk, notebooks and cash to needy yet excellent students.

The gifts were the sincere compassion of VietABank and banks as well as the youth union members of the banking sector in Hanoi. Through such activities, VietABank hoped to share the

difficulties with the poor households and children, helping them to have a safe playground.

Joining the 10th “Sympathetic Hearts” program

VietABank joined hands with the Organizing Committee of the 10th “Sympathetic Hearts” program with the hope of easing the pains of people living with difficulties. The program was jointly hosted by the Ministry of Labour - Invalids and Social Affairs, Family and Children Magazine, Vietnam National Assembly Television, War Veterans Magazine and Hanoi City Red Cross Society.

VietABank coordinated with the Organizing Committee to participate in activities, including: Praising typical examples of children who were in serious diseases but strived to overcome difficulties; Honoring collectives and individuals who had donated funds for heart surgery for needy children with congenital heart disease; Building houses for orphans; Donating savings books; Presenting scholarships; Giving gifts to children living with serious diseases, needy students, victims of Agent Orange in remote and difficult areas; Building Temple of 2500 martyrs of Regiment 27 in Trieu Long commune, Trieu Phong district, Quang Tri province.

In particular, VietABank donated 5 savings books totaling VND25,000,000 for 5 excellent students living with special difficulties.

Accompanying the first “Tet for Vietnamese Agent Orange victims” 2018

As a deep gratitude to the sacrifice and dedication of the country’s devotees, VietABank accompanied the Vietnam Orange magazine under the Vietnam Association of Victims of Agent Orange on the “Tet for Vietnamese Agent Orange victims” program.

The program was of great significance, helping agent orange victims to enjoy a warm Tet materially and

spiritually, as well as encouraging them to overcome poverty and diseases.

Looking back to the bank’s community activities in 2018, VietABank always understands that this is opportunity for each employee to promote the country’s spirit of mutual love, and show responsibility for building “VietABank culture” – a bank for the community. Each contribution of employees at VietABank was filled with warm heart and desire to help ease the difficulties of the community, lighting up hope and belief in life. Therefore, VietABank is always one of the pioneering brands in social security activities, charitable activities and environmental protection.

In the coming time, VietABank’s leadership and staff are determined to maintain and foster the journey of “Accompanying with the aspirations”, implementing charitable activities to share difficulties with the disadvantaged community.



“Tet for Vietnamese Agent Orange victims” program



10th “Sympathetic Hearts” Program



IV. BOARD OF MANAGEMENT'S REPORT

1. BUSINESS RESULTS IN 2018

In 2018, Vietnam's economy experienced fluctuations. Although the operation quality of Vietnam's banking system improved, the competition was still fierce and the banking operations still faced potential risks.

Based on the strategic orientation of the Board of Directors, specific objectives, action plans and flexible scenarios were in place to help VietABank achieve positive results.

HIGHLIGHTS IN 2018

- ▶ VietABank strived to achieve the goal of building a sound, efficient and safe balance sheet that met the safety regulations of the State Bank.
- ▶ Strongly implement strategic customer segments, contributing to increase the sound and stable deposits for the bank.
- ▶ Actively and continuously handling, collecting as well as making provisions for outstanding bad debts.
- ▶ The interbank business activities were more vigorous, seeing strengthened relationships with and expansion of the number of credit institutions to increase limits.

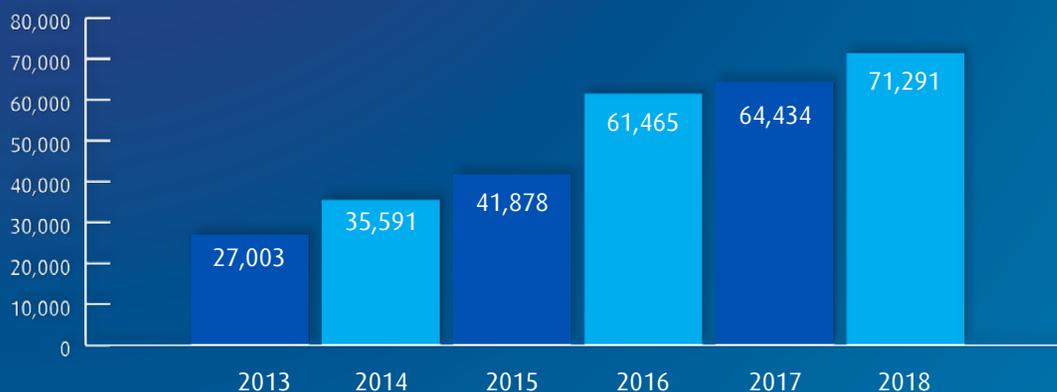
TOTAL ASSETS 2018

VND71,291 BILLION

Increased by VND6,857 billion compared to 2017, up 10.6% year on year. The growth rate in the 2013-2018 period was 26%. The bank continued to grow sustainably in terms of scale and quality of assets, maintaining a highly liquid portfolio, ensuring the capital adequacy ratio of 10.1%.

TOTAL ASSETS

Unit: Billion VND



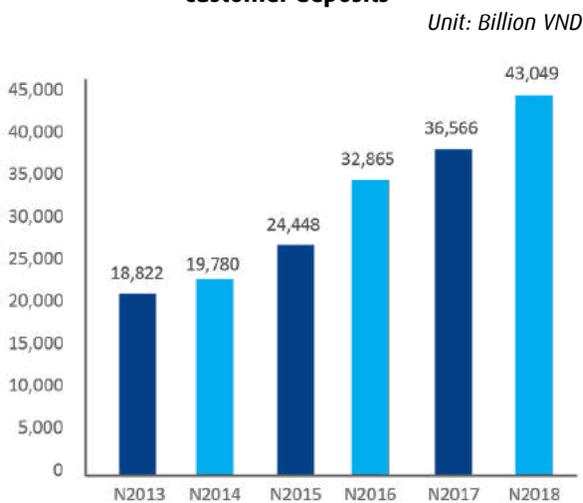
MOBILIZED CAPITAL

VietABank continued to implement the policy of diversifying capital structure, increasing deposits from customer segments including individuals, economic organizations, domestic financial institutions, and approaching foreign financial institutions. In 2018, the bank continued to promote deposits through the issuance of valuable papers, consolidating medium and long-term capital, ensuring and maintaining the short-term capital to medium and long-term capital at a safe ratio.

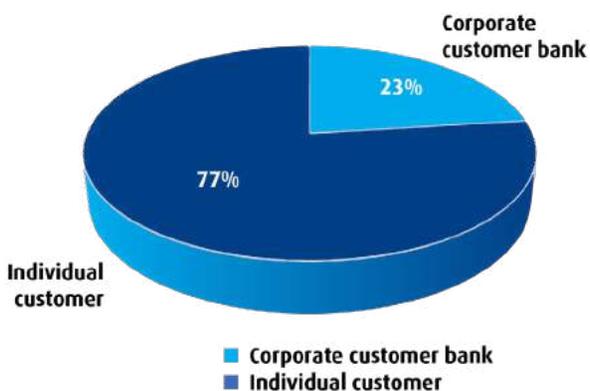
Capital mobilization grew well in 2018, reaching VND65,763 billion, an increase of VND6,427 billion (10.8%) compared to 2017.

Of which, deposits from resident and economic organizations hit VND43,049 billion, growing VND6,483 billion (17.7%) from 2017. Deposits from economic organizations reached VND5,843 billion while those from residents reached VND37,206 billion.

Customer deposits



Deposits by type of customers (as of 31 December 2018)



Deposit structure grew effectively and sustainably. The bank's branches always paid attention to retaining old customers and acquiring new customers with marketing and customer care being given top priority.

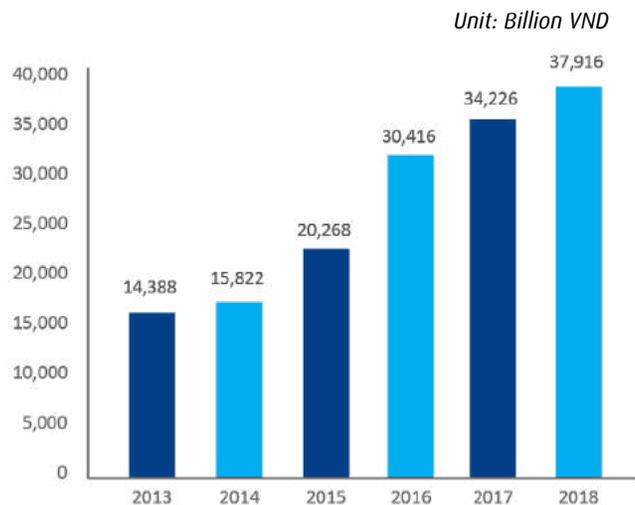
The above results were attributed to VietABank's proactiveness in developing appropriate products, launching key programs for each region and each customer segment with flexible interest rates, taking advantage of the wide network, offering internal incentive schemes, strengthening sales teams and customer care skills in order to increase deposits.

LENDING

VietABank pursues the orientation of safe and sustainable credit development. Loan growth was in harmony with the goal of safe risk management and effective credit quality. The bank rendered efforts to boost credit growth in 10 key industries, disbursing capital to customers with good credit ratings while strengthening risk management and post-disbursement management.

As of 31 December 2018, the bank's total loans reached VND38,516 billion, meeting 101% of the plan, up 11.2% compared to 2017. Growth rate in the 2013-2018 period increased by 26%.

Loans to customers



Loan structure focused on VND, reaching VND37,916 billion, up 11% (VND3,746 billion) compared to 2017. Loans in gold and foreign currency decreased due to the government's policies on controlling and tightening foreign currency loans and anti-dollarization.

Credit growth in 2018 saw strong competition in terms of interest rates with State-owned commercial banks and large banks, particularly short-term loans for customers with good credit ratings.

VietABank continued to restructure its credit portfolio by sector, customer and limiting credit to potential risk areas, focusing on priority industries such as manufacturing, import-export, supporting industries, agriculture, forestry, real estate, healthcare, pharmaceuticals; providing loans to economic corporations, large corporations using many banking services at home and abroad.

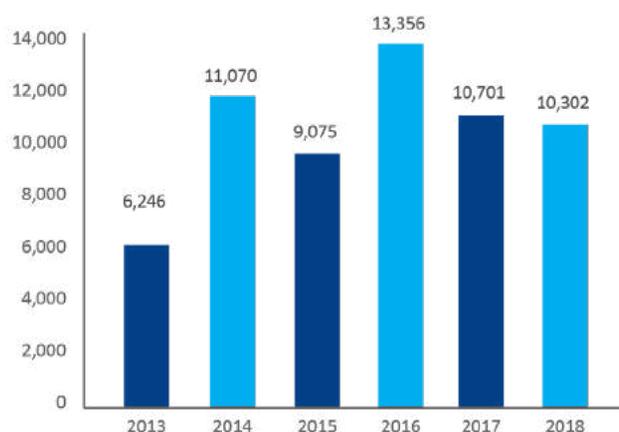
VietABank focused on managing and improving credit quality, and had completely handled a number of years-long outstanding debts.

At the end of 2018, non-performing loans (3-5) were VND520 billion, accounting for 1.37%, down 1.30% compared to 2017 (2.68%) and lower than the standard level of 3% set by the SBV.

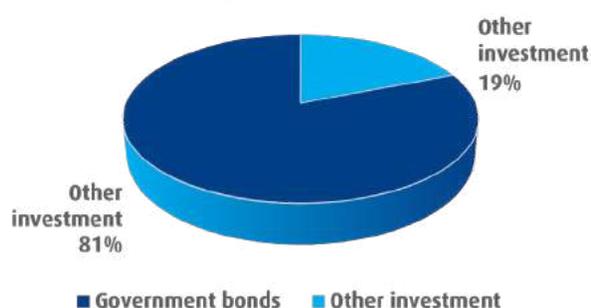
INVESTMENT

Investment value

Unit: Billion VND



Investment portfolio (as of 31 December 2018)



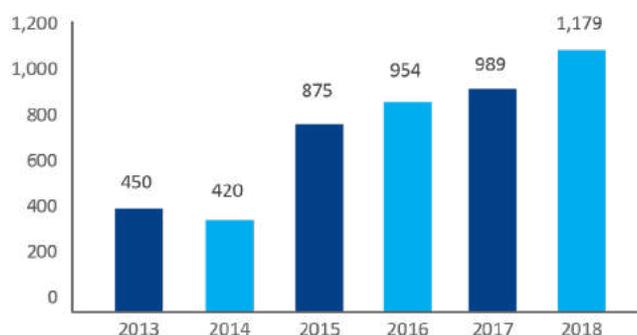
VietABank's portfolio was mainly government bonds, accounting for 81% of the bank's portfolio.

INCOME

Total net income in 2018 grew sustainably, reaching VND1,179 billion, of which interest income and investment returns reached VND1,116 billion thanks to the bank's efforts in applying strict management policies on asset structure quality as well as credit quality.

Income

Unit: Billion VND



In 2018, VietABank's operation expenses reached VND564 billion, up 0.9% (VND5 billion) as the bank continued fostering investment in human resources, transaction office relocation, repair of head quarter and offices, promoting service quality and the bank's image following new brand identity system.

Loan provision in 2018 was VND465 billion. VietABank made full provisions for credit risks and VAMC bonds as regulated.

INNOVATION AND IMPROVEMENT

In 2017, VietABank drastically restructured the network to manage branches by regions, which helped improve efficiency and focus resource on key distribution channels in the North, Central and South.

VietABank also restructured management staff in branches and transaction offices to raise the role of each business unit's director. The bank continuously improved business process and increased the application of automated technology in operation stages in order to increase efficiency, support business and control risks.

In terms of customer service quality improvement, in 2018, VietABank raised the customer service quality standard and implemented training for all units. According to the customer research, VietABank service quality as well as brand strength index improved compare to 2017.





Based on the business performance of 2018, 2019 economic forecast, the existing and potential resources in 2019, VietABank determines the business plan as follows:

I TOTAL ASSETS

VND75,652 BILLION

Increased VND4,361 billion, up 6% against 2018.

I DEPOSITS FROM RESIDENCES AND ECONOMIC ORGANISATIONS

VND49,364 BILLION

Increased 15% against 2018.

I TOTAL OUSTANDING LOANS

VND40,760 BILLION

Increased VND2,244 billion against 2018

I PROFIT BEFORE TAX

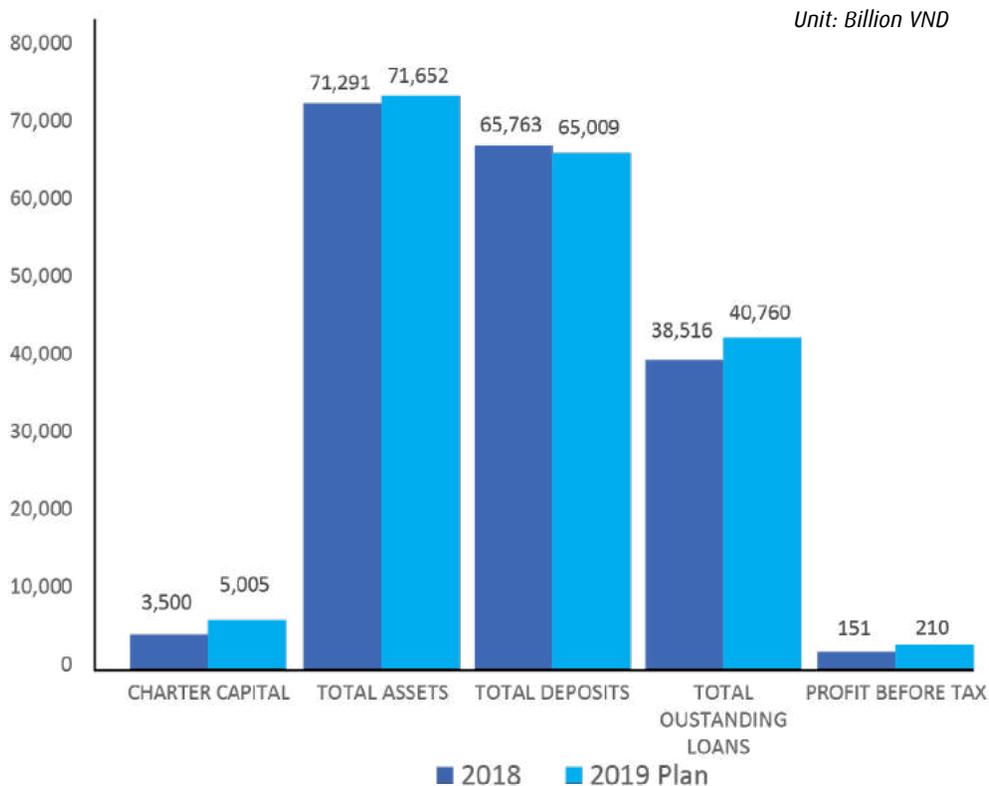
VND281 BILLION

I CHARTER CAPITAL

VND5,000 BILLION

I NPL RATIO

LESS THAN 2%





PLAN AND SOLUTIONS TO IMPLEMENT BUSINESS PLAN IN 2019

01

Grow in scale, ensure efficiency and asset safety

02

Structure and improve capital and assets quality to increase efficiency.

03

Develop banking service business based on value chain of key sectors (choose 5/10 sectors to restructure for development), specifically:

1. Logistics and Import and Export
2. Agriculture
3. Plastic and water
4. Industrial Zone Real Estate
5. Pharmacy and health

04

Increase revenue from service through selling linked- insurance.

05

Improve operational efficiency and labor productivity of the entire system. Implement human resources and salary policy based on scale and productivity; Improve infrastructure to raise the bank image; consolidate personnel organization.

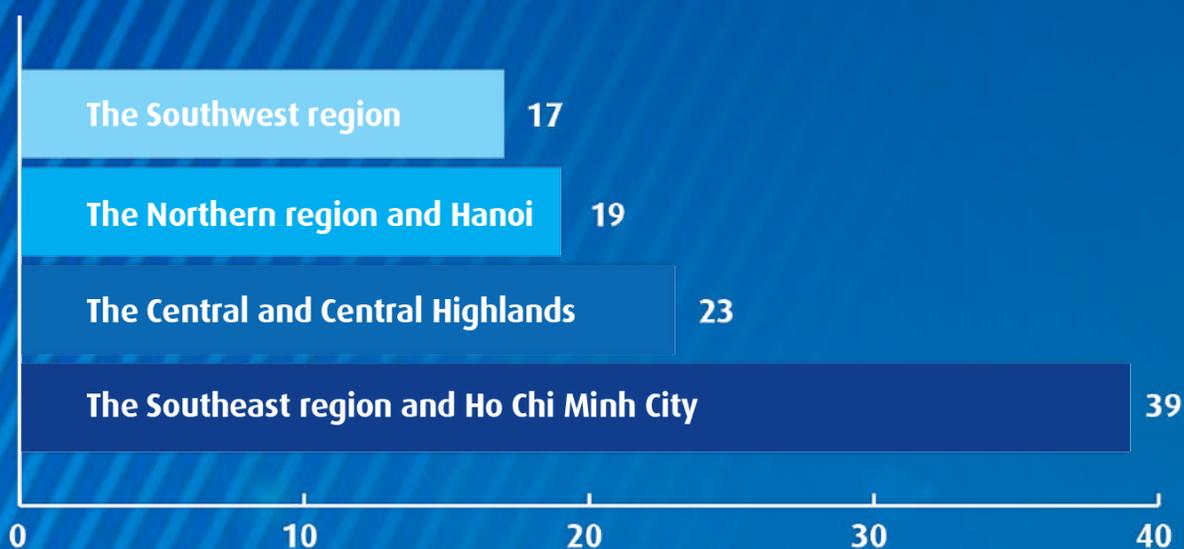


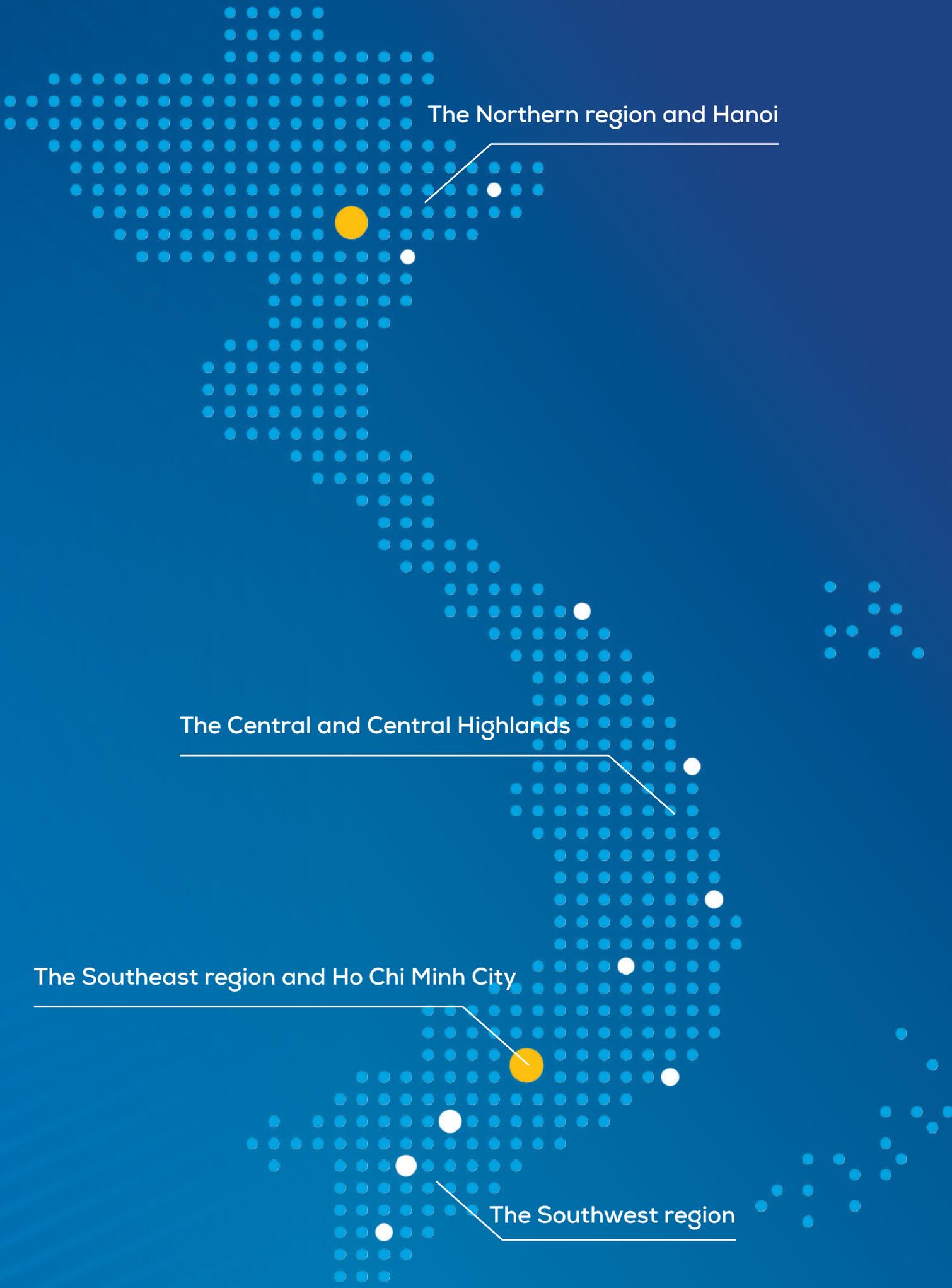


V. VIETABANK OPERATIONAL NETWORK

NUMBER OF BRANCHES AND TRANSACTION OFFICES BY REGIONS

In 2019, VietABank will inaugurate 7 branches and transaction offices, including 3 branches in Hanoi and 4 transactions offices in other provinces/cities nationwide, raising total number of branches and transaction offices to 98 in 2019.





The Northern region and Hanoi

The Central and Central Highlands

The Southeast region and Ho Chi Minh City

The Southwest region

BRANCHES, TRANSACTION OFFICES

| BRANCHES, TRANSACTION OFFICES | TEL | FAX | ADDRESS |
|-----------------------------------|--|-----------------|--|
| Head Quarter | 024 39 333 636 | 024 39 336 426 | 34 Han Thuyen, Pham Dinh Ho Ward, Hai Ba Trung Dist., Hanoi |
| VietABank Hanoi | 024 39 333 636 | 024 39 336 434 | 34 Han Thuyen, Pham Dinh Ho Ward, Hai Ba Trung Dist., Hanoi |
| VietABank Dong Do | 024 37 730 829 | 024 37 730 830 | Level 1 Building 18T1, Trung Hoa - Nhan Chinh Urban Area, Nhan Chinh Ward, Thanh Xuan Dist., Hanoi |
| VietABank Trang An | 024 37 225 247 | - | Level 1 & Level 2, 264 Le Trong Tan Str., Khuong Mai Ward, Thanh Xuan Dist., Hanoi |
| VietABank Phan Dinh Phung | 04 37 343 021 | 04 37 343 020 | 41 Phan Dinh Phung Str., Quan Thanh Ward, Ba Dinh Dist., Hanoi |
| VietABank Kim Dong | 024 36 368 349 | 024 33 117 677 | 69 Kim Dong, Giap Bat Ward, Hoang Mai Dist., Hanoi |
| VietABank Long Bien | 024 39 696 696 | - | 199 Nguyen Van Cu Str., Ngoc Lam Ward, Long Bien Dist., Hanoi |
| VietABank Ha Dong | 024 33 117 676 | 024 33 117 677 | 18BT5, Van Quan Urban Area, Yen Phuc Str., Phuc La Ward, Ha Dong Dist., Hanoi |
| VietABank Tay Hanoi | 024 22 401 777 | - | Level 1 Building CT2 (Residential Building HP Landmark Tower), An Hung Urban Area, La Khe Ward, Ha Dong Dist., Hanoi |
| VietABank Tay Ho | 024 22 159 888 | - | No. 611 Hoang Hoa Tham, Vinh Phuc Ward, Ba Dinh Dist., Hanoi |
| VietABank Trung Tam | 024 62 814 015 | - | 135 Yen Lang, Thinh Quang Ward, Dong Da Dist., Hanoi |
| VietABank Cau Giay | 024 73 007 333 | - | Levels 1,2,3,4 Lot B1- DN12, Nghia Do - Dich Vong Urban Area, Quan Hoa Ward, Cau Giay Dist., Hanoi |
| VietABank Bac Ninh | 0241 3611 999 | - | Lot CC03-B7 (Land lot no. 7), Cat Tuong Public residential and service area, Ly Thai To Rd., Bac Ninh City, Bac Ninh |
| VietABank Quang Ninh | 0203 3 826 628 | 0203 3.826 658 | No. 158 Le Thanh Tong, Bach Dang Ward, Ha Long City, Quang Ninh (Lots 3-4-5 Levels 1 and 2, Quang Ninh Commercial Center Building) |
| VietABank Hai Phong | 0225 3 551 080 | 0225 3.551 090 | Level 1, Building No. 2B Hoang Dieu, May To Ward, Ngo Quyen Dist., Hai Phong |
| VietABank Da Nang | 0236 3 849 393 0236 3 840 299 0236 3 817 236 | 0236 3 823 369 | 33 Hung Vuong, Hai Chau I Ward, Hai Chau Dist., Da Nang |
| VietABank Trung tam Thuong Nghiep | 0236 3 818 789 | 0236 3 823 685 | 191 Hoang Dieu Str., Nam Duong Ward, Hai Chau Dist., Da Nang |
| VietABank Son Tra | 0236 2241473 | 0236 3 913 055 | 307 Ngo Quyen, An Hai Bac Ward, Son Tra Dist., Da Nang |
| VietABank An Hai | 0236 2 217 780 | 0236 3 64 02 02 | 132 Dien Bien Phu, Chinh Gian Ward, Thanh Khe Dist., Da Nang |
| VietABank Trung Nu Vuong | 0236 3 633 624 | 0236 3 633 625 | 580 Trung Nu Vuong Str., Hoa Thuan Tay Ward, Hai Chau Dist., Da Nang (new number 116 Nguyen Huu Tho) |
| VietABank Tran Cao Van | 0236 3 661 922 | 0236 3 661 924 | 878 Tran Cao Van, Thanh Khe Dong Ward, Thanh Khe Dist., Da Nang |
| VietABank Thanh Khe | 0236 3 664 222 | 0236 3561 456 | 64 Ham Nghi, Thac Gian Ward, Thanh Khe Dist., Da Nang |
| VietABank Hai Chau | 0236 3 898 033 | 0236 3 898 034 | Ground floor No. 05 Dong Da, Thach Thang Ward, Hai Chau Dist., Da Nang |
| VietABank Thang Binh | 0235 3675 875 | 0235 3675 876 | Group 4, Block 2, Ha Lam Town, Thang Binh Dist., Quang Nam (new number 19 Tieu La, Ha Lam Town, Thang Binh Dist., Quang Nam) |
| VietABank Tam Ky | 0235 3814 888 | 0235 3814 418 | 246 Phan Chu Trinh, An My Ward, Tam Ky Dist., Quang Nam |
| VietABank Phan Chu Trinh | 0235 3917 555 | 0235 3917 918 | 02 Phan Chu Trinh, P. Minh An, TP. Hội An, tỉnh Quảng Nam |
| VietABank Duy Xuyen | 0235 3777 010 | 0235 3777 050 | Solidarity group 3, Block Long Xuyen 2, (new number 06 Hung Vuong), Nam Phuoc Town, Duy Xuyen Dist., Quang Nam |
| VietABank Quang Ngai | 0255 3712 544 | 0255 3712 546 | 27 Phan Dinh Phung Str., Tran Hung Dao Ward, Quang Ngai City, Quang Ngai |

| CHI NHÁNH / PGD | ĐIỆN THOẠI | FAX | ĐỊA CHỈ |
|----------------------------|--|--------------------|---|
| VietABank Binh Son | 0255 3512 501 0255 3512 502 | 0255 3512 500 | 359 Pham Van Dong, Residential group No. 3, Chau O Town, Binh Son Dist., Quang Ngai |
| VietABank Duc Pho | 0255 397 68 68 0255 360 70 78 | 0255 397 67 68 | 618 Nguyen Nghiem, Duc Pho Town, Duc Pho Dist., Quang Ngai |
| VietABank Thach Tru | 0255 3761 555 0255 3761 777 | 0255 3761 333 | Residential zone 15, National Highway 1A, Thach Tru Tay Commune, Duc Lan Village, Mo Duc Dist., Quang Ngai (new number Thach Tru Town, Duc Lan Village, Mo Duc Dist., Quang Ngai) |
| VietABank Le Trung Dinh | 0255 3715 125 0255 3715 123 | 0255 3718 989 | 191 Le Trung Dinh, Nghia Chánh Ward, Quang Ngai City, Quang Ngai |
| VietABank Son Tinh | 0255 3841 777 | 0255 3841 111 | 460 Nguyen Van Linh, Truong Quang Trong Ward, Quang Ngai City, Quang Ngai |
| VietABank Quy Nhon | 0256 3815 858 | 056 3815 959 | 268 Le Hong Phong, Tran Hung Dao Ward, Quy Nhon City, Binh Dinh |
| VietABank Buon Ma Thuot | 0262 3999399 | 0262 3999299 | 35 Quang Trung, Thong Nhat Ward, Buon Me Thuot City, Dak Lak |
| VietABank Phan Thiet | 0252 383 1166 0252 383 1176 0252 383 1177 0252 383 1466 | 0252 3831179 | No. 02 Le Hong Phong, Binh Hung Ward, Phan Thiet City, Binh Thuan (Lobby B, Ground floor, Building Vien Thong Binh Thuan) |
| VietABank Ho Chi Minh City | 028 292 497 208 | 0283 9143 359 | 119 - 121 Nguyen Cong Tru, Nguyen Thai Binh Ward, Dist. 1, HCM City |
| VietABank Thu Thiem | 028 6683 3814 028 6683 3815 028 6683 3820 | - | 79 Song Hanh, An Phu Ward, Dist. 2, Ho Chi Minh City |
| VietABank Khanh Hoi | 0283 9450 376 | 0283 9450 342 | 143 Khanh Hoi, Ward 3, Dist. 4, Ho Chi Minh City |
| VietABank District 7 | 0283 8730 650 | 0283 8730 651 | 965B Huynh Tan Phat, Phu Thuan Ward, Dist. 7, Ho Chi Minh City |
| VietABank District 9 | 0283 7281 294 | 0283 7281 292 | 469A Do Xuan Hop, Block 5, Phuoc Long B Ward, Dist. 9, Ho Chi Minh City |
| VietABank Nam Sai Gon | 0283 7754 437 | 0283 7750 178 | 215 Nguyen Thi Thap, Tan Phu Ward, Dist. 7, Ho Chi Minh City |
| VietABank Cho Lon | 0283 8359 899 | - | 93 - 95 - 97 An Duong Vuong, Ward 8, Dist. 5, Ho Chi Minh City |
| VietABank Hoa Binh | 0283 9231 290 | - | 331 Tran Phu, Ward 8, Dist. 5, Ho Chi Minh City |
| VietABank Phung Hung | 0283 8555 571 | - | 207 Hai Thuong Lan Ong, Ward 13, Dist. 5, Ho Chi Minh City |
| VietABank Hong Bang | 0283 9609 495 | - | 151 Hau Giang, Ward 5, Dist. 6, Ho Chi Minh City |
| VietABank Phu Lam | 0283 8779 014 | - | 234D Nguyen Van Luong, Ward 11, Dist. 6, Ho Chi Minh City |
| VietABank Ly Chieu Hoang | 0283 9802 715 | - | 368-370 Tung Thien Vuong, An Lac Ward, Binh Tan Dist., Ho Chi Minh City |
| VietABank Tan Phu | 0282 2400 908 | - | 217 Luy Ban Bich, Tan Thanh Ward, Tan Phu Dist., Ho Chi Minh City |
| VietABank Tan Son Nhat | 0283 9481 591 | - | 103 Tran Quoc Hoan, Ward 4, Tan Binh Dist., Ho Chi Minh City |
| VietABank Go Vap | 0283 9897 617 | - | 25 Nguyen Thai Son, Ward 03, Go Vap Dist., Ho Chi Minh City |
| VietABank Lac Long Quan | 0283 8601 993 | 0283 9753 703 | 343K Lac Long Quan, Ward 5, Dist. 11, Ho Chi Minh City |
| VietABank Cho Thiec | 0286 2891 542 | 0286 2891 544 | 102 Pho Co Dieu, Ward 4, Dist. 11, Ho Chi Minh City |
| VietABank Binh Tan | 0283 7620 092 | 0283 7620 093 | 301 Inner Ring Road, Binh Tri Dong B Ward, Binh Tan Dist, Ho Chi Minh City |
| VietABank Ly Thuong Kiet | 0283 8685 456 | 028. 38 685 457 | 222-222A Ly Thuong Kiet, Ward 14, Dist. 10, Ho Chi Minh City |
| VietABank District 10 | 0283 8345 618 | 028. 38 345 618 | 302 Ngo Gia Tu, Ward 4, Dist. 10, Ho Chi Minh City |
| VietABank Sai Gon | 0283 9291 063 | 0283 9293 321 | 229 Nguyen Dinh Chieu, Ward 5, Dist. 3, Ho Chi Minh City |
| VietABank Binh Thanh | 0283 5214 990 | 028.35 124 987 | 196 Xo Viet Nghe Tinh, Ward 21, Binh Thanh Dist., Ho Chi Minh City |

| CHI NHÁNH / PGD | ĐIỆN THOẠI | FAX | ĐỊA CHỈ |
|-----------------------------|--------------------------------|---------------|--|
| VietABank Ba Chieu | 0286 2588 594 | 0286 2588 604 | 127K Dinh Tien Hoang, Ward 3, Binh Thanh Dist., Ho Chi Minh City |
| VietABank Hoang Viet | 0286 2928 695 | 0283 9912 643 | 27A Hoang Viet, Ward 4, Tan Binh Dist., Ho Chi Minh City |
| VietABank Le Thi Rieng | 0283 9778 076 | | 699 CMT8, Ward 6, Tan Binh Dist., Ho Chi Minh City |
| VietABank Cu Chi | 0283 7925 162 | 0283 7925 163 | Ground floor, Building Road D3 Tay Bac Cu Chi Industrial Zone, Bau Tre 2 Commune, Tan An Hoi Village, Cu Chi Dist., Ho Chi Minh City |
| VietABank Hoc Mon | 0283 7107 690 | 0283 7107 691 | 84 Ly Thuong Kiet, Hoc Mon Town, Hoc Mon Dist., Ho Chi Minh City |
| VietABank Tan Quy | 0283 7355 789 | 0283 7355 788 | 19 Provincial Road 8, 1A Commune, Tan Thanh Tay Village, Cu Chi Dist., Ho Chi Minh City |
| VietABank Tay Bac Cu Chi | 028 37928 767 | 0283 7928 768 | 170 Provincial Road 8, Block 2, Cu Chi Town, Cu Chi Dist., Ho Chi Minh City |
| VietABank Dong Nai | 0251 3857 513 | 0251 3857 518 | 3-5 Dong Khoi, Tam Hoa Ward, Bien Hoa City, Dong Nai |
| VietABank Ho Nai | 0251 3880 506 | 0251 3880 509 | 11/5 Block 1, Tan Bien Ward, Bien Hoa City, Dong Nai |
| VietABank Bien Hoa | 0251 8822 722 | 0251 8822 720 | 62/7 Pham Van Thuan, Block 2, Tam Hiep Ward, Bien Hoa City, Dong Nai |
| VietABank Binh Duong | 0274 3872 830 | 0274 3872 831 | Ground floor Becamex Binh Duong Commercial Center Building – 230 Binh Duong Highway, Phu Hoa Ward, Thu Dau Mot City, Binh Duong |
| VietABank Lai Thieu | 0274 3636 860 | 0274 3636 808 | 103 Bis Nguyen Van Tiet, Lai Thieu Ward, Thuan An Town, Binh Duong |
| VietABank Can Tho | 0292 3811 196 | 0292 3734 108 | 04 Phan Van Tri, An Phu Ward, Ninh Kieu Dist., Can Tho City |
| VietABank An Nghiep | 0292 3731 940 | 0292 3731 942 | 141A Tran Hung Dao, An Phu Ward, Ninh Kieu Dist., Can Tho City |
| VietABank Binh Thuy | 0292 3889 156 | 0292 3881 225 | 95/1 Cach Mang Thang 8, An Thoi Ward, Binh Thuy Dist., Can Tho City |
| VietABank Phu An | 0292.3 917 976 | 0292.3917975 | No. 21 (G2-3, Phu An Residential Area - Lot 20) South Can Tho River New Urban Area, Phu Thu Ward, Cai Rang Dist., Can Tho City |
| VietABank Ninh Kieu | 0292 3817 761 | 0292 3817 764 | 95 Xo Viet Nghe Tinh, An Cu Ward, Ninh Kieu Dist., Can Tho City |
| VietABank Thot Not | 0292 3611 661 | 0292 3611 662 | 568 National Highway 91, Long Thanh A Area, Thot Not Ward, Thot Not Dist., Can Tho City |
| VietABank Cai Rang | 0292 3527 299 | 0292 3527 199 | 440 Yen Ha Area, Le Binh Ward, Cai Rang Dist., Can Tho City |
| VietABank O Mon | 0292 3687 467 | 0292 3687 466 | 26/3 Rd., Chau Van Liem Ward, O Mon Dist., Can Tho City |
| VietABank An Giang | 0296 3 940 345 | - | 31/1 Tran Hung Dao, My Xuyen Ward, Long Xuyen City, An Giang |
| VietABank Chau Phu | 0296 3684 567 | 0296 3684 686 | 16 National Highway 91, Cai Dau Town, Chau Phu Dist., An Giang |
| VietABank Chau Doc | 0296 3566 588 | 0296 3566 589 | 202 Trung Nu Vuong, Chau Phu B Ward, Chau Doc City, An Giang |
| VietABank Tan Chau | 0296 3596 066 | 0296 3596 035 | 33 Nguyen Van Cu, Block Long Thanh A, Long Thanh Ward, Tan Chau Town, An Giang |
| VietABank Long Xuyen | 0296 3911 123 | 0296 3911 234 | 1-3 Tran Quoc Toan, My Binh Ward, Long Xuyen City, An Giang |
| VietABank Bac Lieu | 0291 3959 171 0291 3949 246 | 0291 3957 907 | 134F/4, 23/8 Rd., Ward 7, Bac Lieu City, Bac Lieu |
| VietABank Hoang Van Thu | 0291 3969 669 | 0291 3969 779 | 99 Hoang Van Thu, Ward 3, Bac Lieu City, Bac Lieu |
| VietABank Gia Rai | 0291 3487 779 | 0291 3847 889 | 415 National Highway 1A, Commune 2, Gia Rai Town, Gia Rai Dist., Bac Lieu (new number 415, Block 2, Ward 1, Gia Rai Town, Bac Lieu) |
| VietABank Hoa Binh Bac Lieu | 0291 3883 363 | 0291 3883 373 | Town commune B, Hoa Binh Town, Hoa Binh Dist., Bac Lieu |



VI. AUDITED FINANCIAL REPORT



Số: A0718257-HN/AISC-DN6

CÔNG TY TNHH KIỂM TOÁN VÀ DỊCH VỤ TIN HỌC TP.HCM
Auditing And Informatic Services Company Limited

Head Office: 389 A Dien Bien Phu Str., Ward 4, Dist.3, Ho Chi Minh City
Tel: (84.28) 3832 9129 (10 Lines) Fax: (84.28) 3834 2957
Email: info@aisc.com.vn Website: www.aisc.com.vn

INDEPENDENT AUDITOR'S NOTE

To:

**Honored Shareholders, Board of Directors and Board of Management
Viet A Commercial Joint Stock Bank**

We have audited the accompanying consolidated financial statements of Viet A Commercial Joint Stock Bank ("Bank"), prepared on 16 April 2019 as set out from page 05 to page 55, which comprises the consolidated balance sheet as at 31 December 2018, the consolidated income statement and consolidated cash flow statement for the fiscal year ending on the same date and the explanatory notes for the consolidated financial statements.

Board of Management' responsibility

The Bank's Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Banking Accounting Standards, accounting regime and the legal regulation related to preparation and presentation of financial reports, and for such internal control as the Board of Management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, of the consolidated financial position of Viet A Commercial Joint Stock Bank as at 31 December 2018, and of its consolidated financial performance and consolidated cash flows for the fiscal year ending on the same date, in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations related to consolidated financial reporting.

Tp. HCM, ngày 16 tháng 4 năm 2019
TỔNG GIÁM ĐỐC

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AUDITOR

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1. AUDITOR'S OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, of the consolidated financial position of Viet A Commercial Joint Stock Bank as at 31 December 2018, and of its consolidated financial performance and consolidated cash flows for the fiscal year ending on the same date, in accordance with Vietnamese Accounting Standards, accounting regime applicable to credit institutions in Vietnam and legal regulations related to consolidated financial reporting.

2. AUDITED FINANCIAL REPORT

CONSOLIDATED BALANCE SHEET

Unit: VND

| NO. | ITEMS | NOTE | CLOSING BALANCE | OPENING BALANCE |
|-------------|--|-------|--------------------|--------------------|
| A | ASSETS | | | |
| I | Cash, gold and gemstones | V.01 | 318,618,212,910 | 271,566,347,145 |
| II | Deposit in the Central Bank | V.02 | 440,947,678,293 | 243,616,552,330 |
| III | Deposits and loans to other credit institutions | V.03 | 15,267,644,813,949 | 12,353,454,916,824 |
| 1 | Deposits in other credit institutions | | 15,267,644,813,949 | 11,353,454,916,824 |
| 2 | Loans to other credit institutions | | - | 1,000,000,000,000 |
| 3 | Provision for loans to other credit institutions (*) | | - | - |
| IV | Trading securities | V.04 | - | - |
| 1 | Trading securities (1) | | - | - |
| 2 | Provision for impairment of trading securities (*) | | - | - |
| V | Derivatives and other financial assets | V.05 | 883,750,000 | 1,561,550,000 |
| VI | Loans to customers | V.06 | 37,522,475,137,691 | 33,898,537,148,139 |
| 1 | Loans to customers | | 37,916,118,452,171 | 34,226,235,570,361 |
| 2 | Provision for loans to customers (*) | V06.2 | (393,643,314,480) | (327,698,422,222) |
| VII | Debt purchase | V.07 | 1,518,946,560 | 1,900,946,560 |
| 1 | Debt purchase | | 1,518,946,560 | 1,900,946,560 |
| 2 | Provision for operating debt (*) | | - | - |
| VIII | Investment Securities | V.08 | 12,095,661,282,116 | 12,521,682,278,812 |
| 1 | Available - for - sale investment securities (2) | | 8,455,196,627,744 | 9,987,502,744,571 |
| 2 | Held - to - maturity investment securities | | 4,287,647,188,025 | 3,068,937,094,700 |
| 3 | Provision for impairment of investment securities (*) | | (647,182,533,653) | (534,757,560,459) |
| IX | Capital contribution, long-term investmens | V.09 | 313,373,630,000 | 313,373,630,000 |
| 1 | Investments in subsidiaries | | - | - |
| 2 | Investments in joint-ventures | | - | - |
| 3 | Investments in associates | | - | - |

| NO. | ITEMS | NOTE | CLOSING BALANCE | OPENING BALANCE |
|------------|---|--------|---------------------------|---------------------------|
| 4 | Other long-term investments | | 313,373,630,000 | 313,373,630,000 |
| 5 | Provision for impairment of long-term investments (*) | | - | - |
| X | Fixed assets | | 195,390,392,874 | 216,895,851,497 |
| 1 | Tangible fixed assets | V.10 | 80,794,186,991 | 96,480,384,720 |
| a | Cost | | 292,199,054,004 | 295,531,486,002 |
| b | Depreciation (*) | | (211,404,867,013) | (199,051,101,282) |
| 2 | Leased fixed assets | V.11 | - | - |
| a | Cost | | - | - |
| b | Depreciation (*) | | - | - |
| 3 | Intangible assets | V.12 | 114,596,205,883 | 120,415,466,777 |
| a | Cost | | 212,717,049,940 | 212,717,049,940 |
| b | Amortisation (*) | | (98,120,844,057) | (92,301,583,163) |
| XI | Real estate investment | V.13 | - | - |
| a | Cost | | - | - |
| b | Depreciation (*) | | - | - |
| XII | Other assets | V.14 | 5,134,801,875,476 | 4,611,571,120,505 |
| 1 | Receivables | V.14.2 | 1,453,910,813,032 | 1,334,734,663,075 |
| 2 | Interest and fee receivables | | 2,454,018,413,535 | 2,890,789,678,106 |
| 3 | Deferred tax assets | V22.1 | - | - |
| 4 | Other assets | V.14 | 1,228,412,648,909 | 483,451,505,065 |
| | - Of which: Goodwill | V.15 | | |
| 5 | Provisions for risks on other assets | V.14.3 | (1,540,000,000) | (97,404,725,741) |
| | Total assets | | 71,291,315,719,869 | 64,434,160,341,812 |
| B | LIABILITIES AND OWNERS' EQUITY | | | |
| I | Borrowings from the Government and State Bank | V.16 | 10,171,722,067 | - |
| II | Deposits and borrowings from other credit institutions | V.17 | 22,714,461,659,651 | 22,770,280,624,565 |
| 1 | Deposits from other credit institutions | | 16,100,806,728,273 | 13,654,988,390,756 |
| 2 | Borrowings from other credit institutions | | 6,613,654,931,378 | 9,115,292,233,809 |
| III | Deposits from customers | V.18 | 41,367,098,156,574 | 34,402,402,943,369 |
| IV | Derivatives and other financial liabilities | V.05 | - | - |
| V | Grants, Trusted fund, Loans to credit institutions at risk of the bank | V.19 | 14,258,508,000 | 24,852,998,000 |
| VI | Valuable papers issuance | V.20 | 1,682,143,421,968 | 2,163,574,657,610 |
| VII | Other liabilities | V.22 | 1,268,313,342,289 | 956,595,858,997 |

| NO. | ITEMS | NOTE | CLOSING BALANCE | OPENING BALANCE |
|-------------|--|-------|---------------------------|---------------------------|
| 1 | Interest and fee payables | | 1,010,318,361,845 | 855,113,198,660 |
| 2 | Deferred tax payables | V22.2 | - | - |
| 3 | Accounts payable and other liabilities | V.21 | 257,994,980,444 | 101,482,660,337 |
| 4 | Provision for other liabilities (contingent liabilities and off-balance sheet commitments) | V.21 | - | - |
| | Total liabilities | | 67,056,446,810,549 | 60,317,707,082,541 |
| VIII | Capital and funds | V.23 | 4,234,868,909,320 | 4,116,453,259,271 |
| 1 | Capital of CI | | 3,500,102,540,351 | 3,500,102,540,351 |
| a | Charter capital | | 3,499,990,470,000 | 3,499,990,470,000 |
| b | Capital for basic construction | | - | - |
| c | Share capital surplus | | 98,600,000 | 98,600,000 |
| d | Treasury shares (*) | | - | - |
| e | Preferred shares | | - | - |
| g | Other capital | | 13,470,351 | 13,470,351 |
| 2 | Funds of CI | | 195,942,439,682 | 178,180,092,175 |
| 3 | Exchange rate difference (3) | | - | - |
| 4 | Asset revaluation difference | | - | - |
| 5 | Retained earnings / Accumulated losses (3) | | 538,823,929,287 | 438,170,626,745 |
| IX | Benefits of minor shareholders | | | |
| | Total liabilities and owners' equity | | 71,291,315,719,869 | 64,434,160,341,812 |

OFF BALANCE-SHEET ITEMS

Unit: VND

| NO. | ITEMS | NOTE | CLOSING BALANCE | OPENING BALANCE |
|------------|---|---------|-------------------|-------------------|
| I | Borrowing guarantee | | - | - |
| II | Foreign exchange transaction commitments | | 2,713,815,000,000 | 4,081,350,000,000 |
| 1 | Foreign currency purchase commitments | | 162,365,000,000 | - |
| 2 | Foreign currency sale commitments | | - | - |
| 3 | Swap transaction commitments | | 2,551,450,000,000 | 4,081,350,000,000 |
| 4 | Future transaction commitments | | - | - |
| III | Irrevocable loan commitments | VIII.39 | - | - |
| IV | LC commitments | | 29,437,822,914 | 21,036,457,455 |
| V | Other guarantees | | 550,276,757,476 | 218,895,113,140 |
| VI | Other commitments | | - | - |

CONSOLIDATED INCOME STATEMENT

Unit: VND

| ITEMS | ACCUMULATED FROM THE BEGINNING TO THE END OF THE YEAR | |
|--|---|----------------------------|
| | CURRENT YEAR | PRIOR YEAR |
| 1- Interest income and similar income | 4,244,311,073,392 | 4,130,321,144,978 |
| 2- Interest expenses and similar expenses | (3,134,387,962,456) | (2,986,215,394,763) |
| I- NET INTEREST INCOME | 1,109,923,110,936 | 1,144,105,750,215 |
| 3- Income from service | 15,379,982,197 | 12,180,813,803 |
| 4- Expenses ON service | (22,858,834,639) | (19,181,086,473) |
| II- NET PROFIT/ LOSS FROM SERVICES | (7,478,852,442) | (7,000,272,670) |
| III- NET PROFIT/ LOSS FROM FOREIGN EXCHANGE TRANSACTIONS | (978,600,810) | (42,857,915,296) |
| IV- NET PROFIT/ LOSS FROM FROM TRADING SECURITIES | 2,856,913,757 | (82,522,834,271) |
| V- NET PROFIT/ LOSS FROM FROM INVESTMENT SECURITIES | 1,650,194,010 | 35,866,441,053 |
| 5- Other operating income | 73,991,388,358 | 22,419,251,775 |
| 6- Other operating expenses | (2,079,768,665) | (95,674,211,987) |
| VI- NET PROFIT/ LOSS FROM OTHER ACTIVITIES | 71,911,619,693 | (73,254,960,212) |
| VII- INCOME FROM CAPITAL CONTRIBUTION, EQUITY INVESTMENTS | 1,412,328,500 | 14,319,981,560 |
| VIII- TOTAL OPERATING EXPENSES | (564,180,912,736) | (558,703,451,758) |
| IX- NET PROFIT FROM BUSINESS BEFORE PROVISION FOR CREDIT LOSSES | 615,115,800,908 | 429,952,738,621 |
| X- PROVISION FOR CREDIT LOSSES | (464,588,074,298) | (308,121,692,935) |
| XI- PROFIT BEFORE TAX | 150,527,726,610 | 121,831,045,686 |
| 7- Current corporate income tax expense | (32,112,076,561) | (23,029,273,534) |
| 8- Deferred corporate income tax expense | - | - |
| XII- CORPORATE INCOME TAX EXPENSE | (32,112,076,561) | (23,029,273,534) |
| XIII- PROFIT AFTER TAX | 118,415,650,049 | 98,801,772,152 |
| XIV- PROFIT OF MINORITY SHAREHOLDERS | | |
| XV- BASIC EARNINGS PER SHARE | | |

Hanoi, 16 April 2019

Prepared by



NGUYỄN HỮU CƯỜNG

Chief Accountant



LÊ QUANG TRUNG

CEO



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