



ANNUAL REPORT 2017

STRAIGHT TO THE FUTURE



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I. OVERVIEW





CEO'S MESSAGE

Dear valued shareholders and customers,

The end of 2017 marked a significant leap forward of Vietnam's economy with GDP growth rate of 6.81%, the record in the past decade. As part of the positive growth of the entire economy, VietABank made consistent efforts to maximize shareholders' interests and bring about wealth to customers. VietABank's hallmarks in 2017 are attributed to the Bank's accomplishments in enhancing service quality, providing efficient, professional, innovative financial solutions, as well as offering customers experiences of modern, convenient, beneficial financial services.

Besides pride-worthy business performance and dynamic community activities, VietABank had a memorable year of 2017 with reputable awards, including Top 500 largest enterprises of Vietnam by Vietnam Report – VNR and VietnamNet, as well as 12 consecutive years winning the title "Vietnamese Excellent Brand award" by Vietnam Economic Times. In 2018, our efforts have proved fruitful, with reputable domestic and international awards: Certificate of Merit by the Governor of the State Bank of Vietnam, Best Bank for Sustainable Development Vietnam 2018 by Global Banking and Finance Review (United Kingdom).

In 2018, the goals of VietABank include continued enhancement of financial capacity, expansion of operational network, achieving breakthroughs in high-tech products and services. Most significantly, VietABank projects launching Digital Banking platform in the second half of 2018.

To prove ourselves worthy of the trust and support of our honored shareholders and customers, VietABank Management commits to further utilize our strengths, ensure safe and sustainable operation, provide trustworthy support for our customers, and accompany the business community in the course of national economy development. With established experience and dedication of the Board of Directors, Board of Management, undivided determination of all staff, I believe VietABank will continue to secure further achievements in 2018 and the following years.

We wish our honored shareholders and customers health, happiness and success.

With regards,

Nguyen Van Hao
CEO

1 General information

Official names for transactions:

- Full name in Vietnamese: Ngân hàng thương mại cổ phần Việt Á
- Abbreviated name in Vietnamese: NH TMCP Việt Á
- Full name in English: Vietnam Asia Commercial Joint Stock Bank
- Abbreviated name in English: VAB

Enterprise Registration Certificate number: 0302963695

- First registration on: 19 of June, 2003
- Registration of 25th adjustment on: 07 of November, 2017

Charter capital: 3,500 VND billion

Headquarter: 34A – 34B Han Thuyen, Pham Dinh Ho ward, Hai Ba Trung district,

- Tel: (024)- 39 333 636
- Fax: (024)- 39 336 426
- Website: www.vietabank.com.vn

Vietnam Asia Commercial Joint Stock Bank was established on 04 of July, 2013 by merging the two long-standing credit organizations in the Vietnam financial and monetary market, Sai Gon Financial Joint Stock Company and Da Nang Rural 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 15 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

The main business activities of VietABank include: 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.

Up to 31 of December 2017, VietABank has had 91 branches and transaction offices operating nationwide from the North to the South. VietABank is most active in the markets of the South-Eastern region and Hochiminh City as well as the North and Hanoi.



II. ORGANIZATIONAL STRUCTURE



1 Board of Directors

Members and Structure of the Board of Directors



MS. PHUONG THANH NHUNG
Vice Chairman of the Board of Directors

MR. PHAN VAN TOI
Vice Chairman of the Board of Directors

MR. PHUONG HUU VIET
Chairman of the Board of Directors

MR. NGO TAN DUNG
Vice Chairman of the Board of Directors

MR. LE DAC CU
Member of the 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

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



MR. NGO TAN DUNG
Vice Chairman of the Board of Directors

Holds senior management positions at VietABank since 2012. Bachelor of Marine Electricity - Odessa Maritime Academy (Russia), bachelor degree from Hanoi Law University.



MS. PHUONG THANH NHUNG
Vice Chairman of the Board of Directors

Master of Finance – Banking. Over 10 years' experience in finance and banking sector in senior management positions.



MR. LE DAC CU
Member of the Board of Directors

Independent Member of the Board of Directors since 2013. Bachelor degree from Banking Academy. He has over 50 years' experience in the Banking sector, holding senior management positions at the State Bank of Vietnam and Vietcombank.

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.

Changes with Members of the Board of Directors

No changes were made with the Members of the BOD in the year.

Committees under the BOD

- Risk Management Committee: Consult the BOD in approving appropriate policies and directions in each stage in term of risk management, as well as perform other functions and tasks assigned by the BOD.
- Credit Committee: Review, make decisions on large credit requests, approve of credit policies, as well as consult, advise the BOD in investment, and perform other functions and tasks assigned by the BOD.
- Strategy and HR Committee: Consult the BOD on development strategies for the bank and HR strategies.
- ALCO: Research and propose strategies in balance sheet structure, manage balance sheet structure of the Bank to maximize profits and minimize risks to the Bank; Develop and monitor financial and credit ratios in accordance with

business strategies of the Bank; Manage liquidity, liquidity risks and interest rate risks incurred from the mismatch between assets and liabilities sensitive to interest rates; Manage market risks relating to exchange rates and interest rate fluctuations; Instruct the development, approval and implementation of policies, procedures and systems of internal capital rotation evaluation to ensure business productivity; Manage owner's equity to ensure sustainable development of the Bank; Hold monthly meetings, conduct regular assessment of macroeconomic situation, performance of the banking sector and VietABank, make timely decisions to ensure the Bank's liquidity, interest rates and sufficient quantities for capital mobilization and utilization; Ensure safe ratios in accordance with legal regulations.

2 Board of Supervisors

Member of the Board of Supervisors



MS. NGUYEN KIM PHUONG
Head of the Board of Supervisors

Bachelor of Economics. 30 years' experience in Banking.



MS. NGUYEN THI HOAN
Member of the Board of Supervisors

Bachelor of Accounting, Member of the Board of Supervisors of VietABank since 2013.



MR. PHUONG MINH TUAN
Member of the Board of Supervisors

Bachelor of Accounting, Ballarat University (Australia). Over 5 years' experience in accounting and 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



NGUYEN VAN HAO
CEO

The CEO is responsible for the general management of the entire operations of VietABank.

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



PHAM LINH
Deputy CEO

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

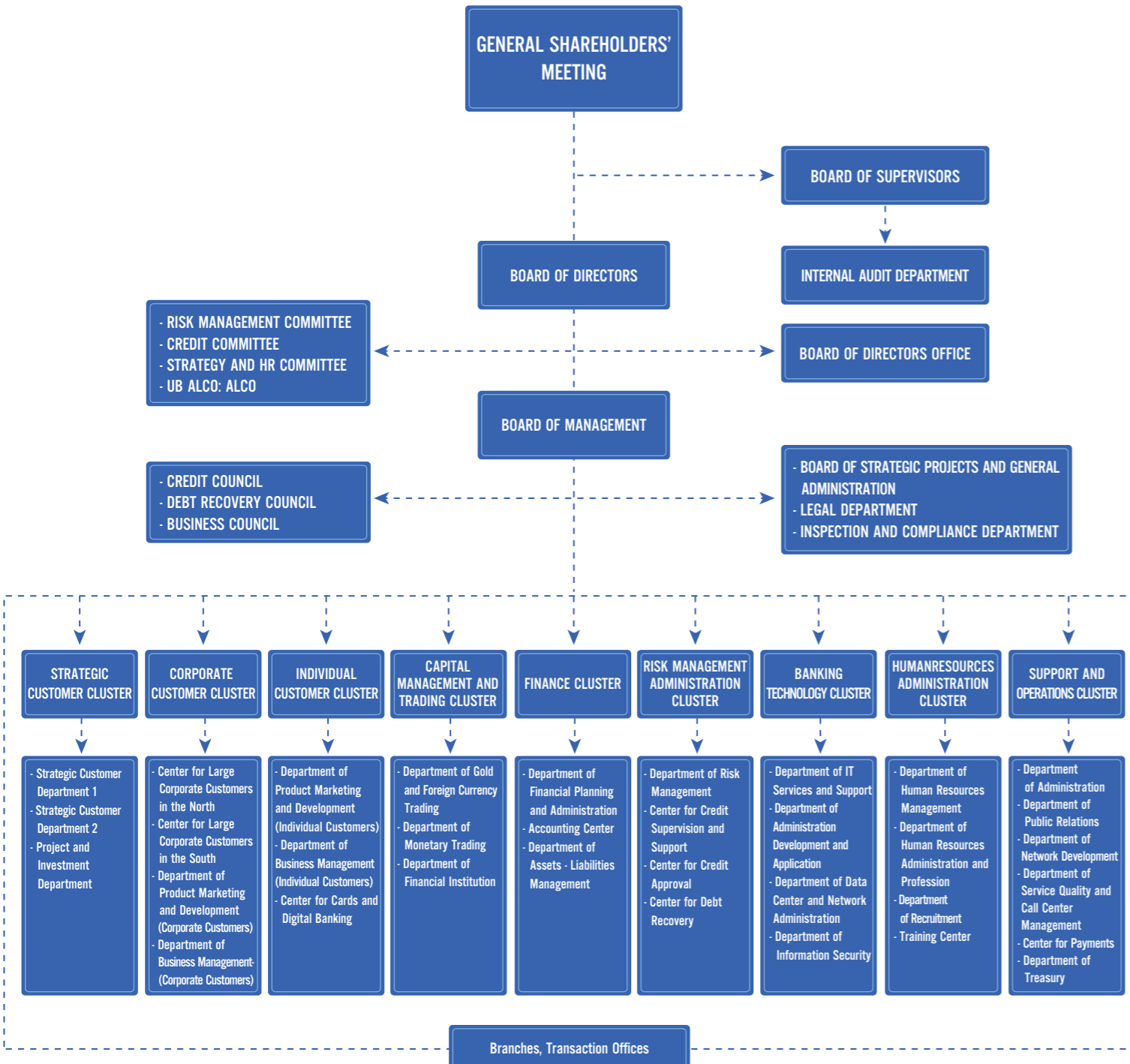


PHUONG XUAN THUY
Deputy CEO

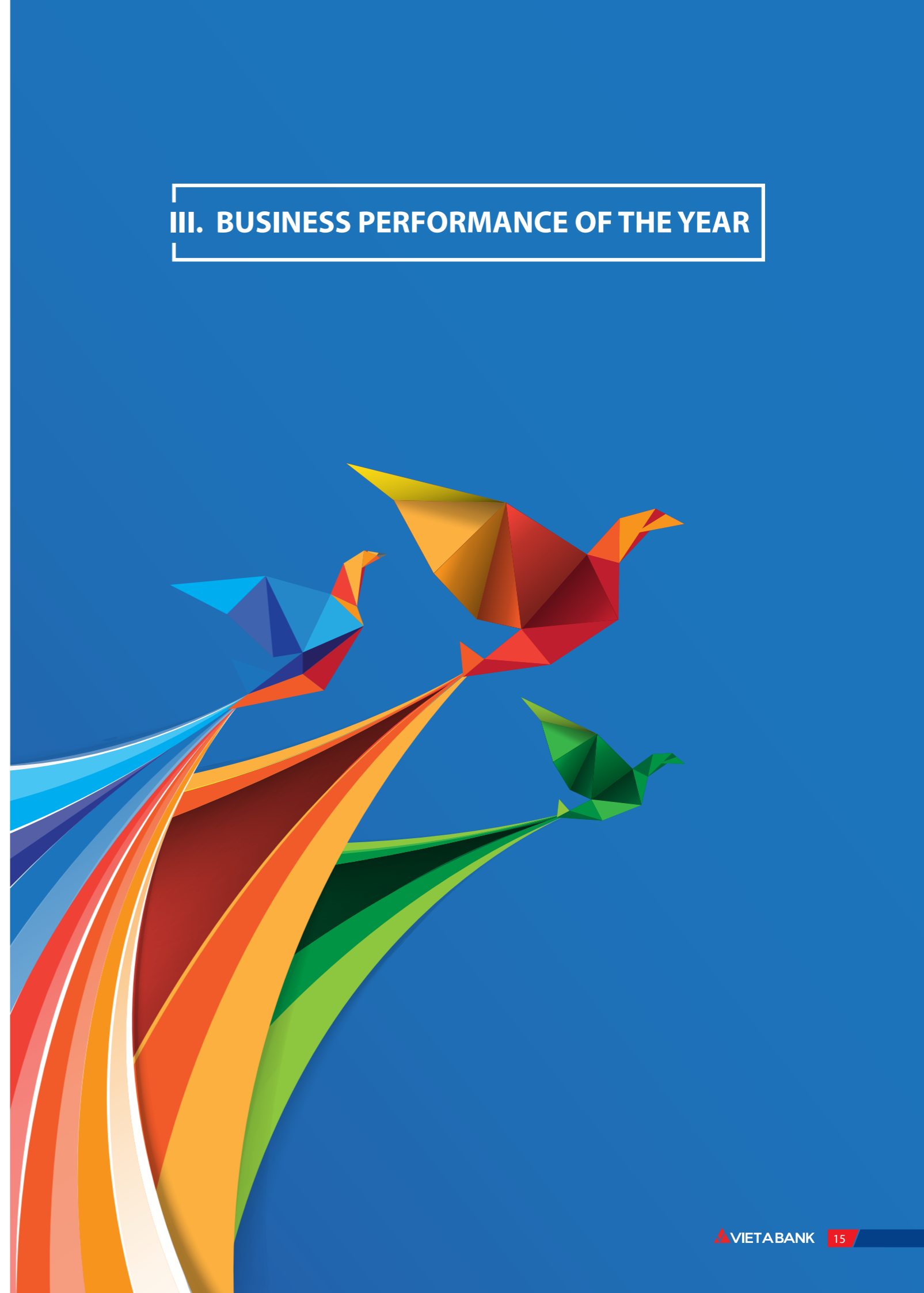
Master of Business Administration (National Economics University). Almost 20 years' experience in finance, holds many important positions.



ORGANIZATIONAL STRUCTURE OF THE BANK



III. BUSINESS PERFORMANCE OF THE YEAR



1 Overview of economic situation in 2017 and forecasts for 2018

In 2017, the world economy recovered at a better rate, with economic growth estimated at 3.6% (0.5% higher than in 2016) thanks to increased investments, trading and industrial manufacturing. All major economies experienced stable recovery, securing their role in the forefront of world economic growth. Most major economies continued to tighten their monetary policies, quantitative easing programs were gradually narrowed and interest rates were increased.



As part of the trend of world economic recovery, GDP in 2017 of Vietnam increased by 6.81%, 0.5% higher than in 2016 due to a strong improvement in total demand of the economy. Economic structure had a positive transform in which sectors with high technology and added values had a higher contribution in proportion, with increased contribution of processing and manufacturing industries. Credit growth and capital mobilization were equal to 2016, banking system liquidity was kept stable, interest rates decreased slightly.

Trade surplus of 2017 was approximately 2.5 USD billion, equivalent to 0.6% total import-export turnover. Export turnover of 2017 increased by 22.5%; import turnover was estimated to increase by 22.7% from the previous year (in 2016 export increased by 9% and import 5.4%). FDI capital of the whole year was 36 USD billion, the highest in the past 10 years.

In the banking sector in 2017, the State Bank of Vietnam implemented measures to increase the

synchronization and flexibility of monetary policy tools to stabilize the monetary market, contribute to the control of inflation, create favorable conditions for credit organizations to decrease lending interest rates and increase the capacity of credit supply for the economy, and support economic growth.

The Banking sector continued to implement measures to decrease lending interest rates in order to support enterprises and contribute to economic growth. The State Bank made efforts in managing monetary policies to ensure liquidity for credit organizations, maintain interbank offered rate at a reasonable level, contributing to stabilizing and decreasing average market interest rates.

In 2018, the State Bank continues to manage monetary policies in a proactive and flexible manner, coordinate these closely with fiscal policies and other macro-economic policies to ensure the stability of macro balances and monitor inflation, support the economic growth at a reasonable rate. In



which, the State Bank focuses on the implementation of pivotal solutions:

- Ensure the synchronized, flexible management of monetary policy tools to stabilize the monetary market, contribute to the control of inflation, strive to decrease lending interest rates in accordance with macro-economic conditions while ensuring safe, healthy financial operations.

- Continue to manage exchange rates in a proactive, flexible manner in accordance with market conditions, macro-economic balances and monetary policy targets; Stabilize the monetary market, continue to increase the reserves of foreign exchange when market conditions are favorable; Continue to properly perform the role of state management on gold market.

- Manage credits in the direction of controlling credit growth at a reasonable rate to contribute to the implementation of inflation control target, support growth, enhance the quality of credits; Proactively control credits in some sectors and areas with potential risks.

- Boost the restructure of credit organization systems involved in bad debt handling, including some measures such as: Completing legal framework, monetary and banking mechanism and policies, especially consulting relevant authorities on the issuance of policies, regulations, supporting mechanisms to support the restructure process attached with bad debt handling of credit organizations, regulations on handling cross ownership (in which, focus on instruction documents for law amendments, supplementation to some articles of Law on credit organization in 2010).

- Focus on the quality and timely implementation of tasks assigned in Action plan of the Banking sector in implementation of the Project "Restructure of credit organization systems involved in bad debt handling for 2016-2020" and Resolution No. 42/2017/QH14 on pilot handling bad debts of credit organizations.

2 Business performance of Viet A Commercial Joint Stock Bank in 2017

2.1 Results of 2017

Unit: Billion VND

CRITERIA	2016	2017	Variance (%)	
			+2016	2016
Total assets	61,465	64,434	2,969	4.8%
Total mobilization	56,692	59,336	2,644	4.7%
Mobilization from corporates and individuals	32,865	36,566	3,701	11.3%
Mobilization from credit institutions	23,827	22,770	(1,057)	-4.4%
Total credit outstanding balance	30,816	34,626	3,810	12.4%
Bad debt/Total debit balance	2.14%	2.68%	0.54%	
Total net revenue	954	989	35	3.6%
Earnings before tax (accumulated)	106	122	16	15.1%

Total assets was 64,434 VND billion, increased by 2,969 VND billion compared to 2016, 4.8% increase from 2016.

Total capital mobilization was 59,336 VND billion.

4.7% (2,644 VND billion) increase from 2016. Mobilization from corporates and individuals was 36,566 VND billion, 11.3% increase from 2016. Mobilization from credit institution was 22,770 VND billion. Mobilization gained good growth and met the demand for credit growth and liquidity balance of the whole bank.

Credit activities

The bank made efforts in promoting credit growth in 10 focal industries, released funds to customers with good credit scores. Moreover, VietABank enhanced risk administration and post-disbursement debt management. Up to 31 December 2017, total credit outstanding balance was 34,626 VND billion, increased by 3,810 VND billion from 2016.

Earnings before tax in 2017

Was 122 VND billion.

2.2 Banking services and service quality management



In 2017, VietABank successfully implemented the one-stop transaction model in a synchronized procedure applied to the whole system, accompanied by solutions for upgrading technology system and transaction counters, renovating human resources training programs, which helps to significantly enhance service quality at VietABank transaction counters.

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

VietABank successfully implemented the new organizational structure. According to which, all back-office operations including services for corporate customers and financial market operations were separated from the Head Office business unit and professionalized, centralized at an independent operation unit, which helps to promote risk administration and better utilization of the sales force, creating better conditions for the Unit to focus on their sales activities.

Payment activities were remarkably enhanced in both technology and quantity of transactions. Innovations to the procedures attached with automated transaction solutions have replaced a variety of manual steps. These intelligent automated transaction solutions have greatly improved the quality of payment services as well as work productivity of VietABank in 2017, with lower head count but higher revenue.

In the card sector, up to the end of 2017, VietABank had issued a total of over 155,159 domestic cards. In 2017, VietABank issued 10,546 cards with 9,638 cards activated in the year. Average balance per card fluctuated from

1.6 VND million/card, which proved issued cards had positive efficiency.

Marketing and communication activities were dynamic, which contributes to develop the strong, unique culture of VietABank, with an expansive scope of communication. The website of VietABank was continuously upgraded and transformed in interface to bring about a personal yet professional appearance with various functions and tools. Promotion programs for capital mobilization, roadshows to communicate the image and brand name of VietABank were organized with high effectiveness.

The total number of transaction offices system-wide is 91. In 2017, VietABank opened 4 branches in Bac Ninh, Quang Ninh, Hai Phong and Phan Thiet. Besides, VietABank continued the completion of applications for opening 4 branches in the North and Central Vietnam in 2018, raising the number of branches in these regions as per the scope and development strategy of the Bank.



2.3 Human resource development

Up to 31 December 2017, VietABank had 1,347 head count. The HR structure continued to transform with more development in the North and the opening of 4 branches in the North. In term of training, VietABank held continuous training in-house as well as by external trainers in all regions over the whole system, and sent staff to attend training classes to improve their capacity, profession in all levels, from management to operating staff, as well as built up fundamental skills for newly-recruited staff.



2.4 Information technology and systems management

VietABank made significant breakthroughs with the application of modern technology in Banking activities:

- Implement cloud computing, relocate data center to Private Cloud environment, increase confidentiality, mitigate risks of local terminations of transmission lines, implement part of the timeline of the Digital Banking development project.

- Complete the relocation of VietABank data center and ensure smooth operation; Complete the development of the reporting system as per Circular 35 of the State Bank and implement throughout the whole bank system; Implement and complete the project of Smart Branch new transaction standard; Complete the collaboration with Project Board in implementing the conversion of savings interest calculation in accordance with Circular 14 of the State Bank.

2.5 Risk control and compliance management

VietABank continuously completes and implements the systems of internal check and control to prevent and timely correct weaknesses and problems. Banking operational criteria are regularly controlled, which prevents any significant risks and keeps credit growth within risk appetite and tolerance margins of the Bank. The Bank fully complies to all regulations (reporting system and implementation of criteria) on operational safety and risk control of the State Bank.

- Policy and procedure development: Issue policies, procedures, regulations and professional guidelines relating to credit activities, evaluation and classification of customers through the internal credit rating system; Develop applied risk management model and tools to forecast losses, manage liquidity, manage interest rate risks.

- Credit monitoring and support: Implement distant and direct monitoring on compliance of operations, data input, interest rate management and adjustment, timely detect, propose recommendations and correct

- Complete the development/upgrade of application programs, projects for the business clusters (programs for managing gifts, promotions, files, sales...), supporting clusters (programs for managing ATM transaction cross-checking, document circulation, HR and payroll...); Connect online payment with Napas, Payoo; Implement the function of automatic debt collection; Construct the website for opening Visa international credit cards online...

- Optimize the security system by completing the upgrade of solutions to detect and prevent violations, research on data loss prevention (DLP) solutions, complete scanning of security gaps, research on security solutions for controlling network access.

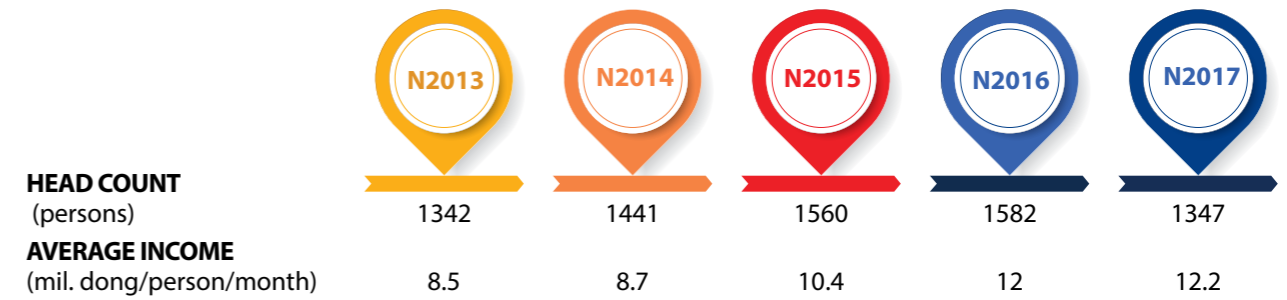
errors relating to credit operation system-wide. Besides, VietABank closely monitors risks through the control of daily transactions (transaction limits, loss stop limits), makes timely recommendations about exchange rate, interest rate, liquidity risks.

- Conduct periodic and unscheduled audit of business units, Head office banking operation clusters comprehensively or thematically, propose recommendations to the Board of Management on problems and weaknesses in the Bank business operations for timely remedy.

- Reporting and management information: Complete accounting tasks, financial reports, statistics, operational analyses, assessment and administration of bank performance, ensure financial information is frequently and timely updated to facilitate the supervision, administration and management of banking business. Information reporting fully met requirements of State managerial authorities.

3 Employees and benefit packages

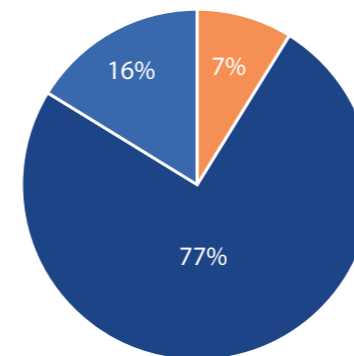
3.1 Human affairs



- In 2017, VietABank applied the recruitment policy that focuses on quality, which led to a decrease in head count compared to 2016 although business criteria of the Bank increased from 2016.

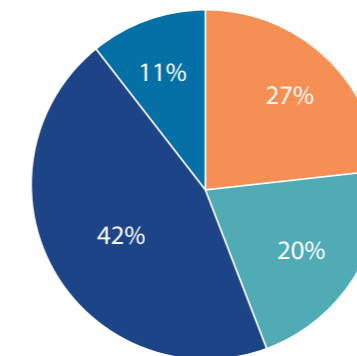
- Regulations on the organization and operation of VietABank were issued and took effect on 01 December 2017, which act as a foundation for the Bank to complete and reinforce its organizational model, improve capacity in business, operation and risk management.

PERSONNEL STRUCTURE TO EDUCATION LEVEL



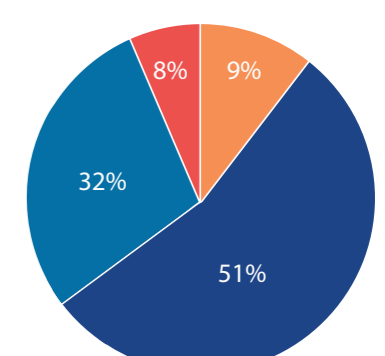
- Ph.D. and Master
- University graduate
- Undergraduate

CƠ CẤU NHÂN SỰ THEO VÙNG



- The North and Hanoi
- The Central and Central Highlands
- The Southeastern and Hochiminh City
- The West-Eastern

CƠ CẤU NHÂN SỰ THEO ĐỘ TUỔI



- Under 25
- 25 to 35
- 35 to 45
- From 45

3.2 Personnel policies

Recruitment

In 2017, VietABank step-by-step enhanced its image through promotion campaigns on the media and other activities to attract candidates at universities and job fairs.

Benefits packages

VietABank's policies for salaries, bonuses and benefits were evaluated, reviewed and developed in correlation with performance and act as a foundation for the application and implementation in the whole system in 2018.

Professional competitions and awards were organized at business Clusters and Units to create a momentum for staff to promote their own capacity and determination to fulfill business plans.

Insurance, benefits

VietABank always ensures the compliance with insurance and benefits policies in accordance with legal regulations (social insurance, unemployment insurance, health insurance).

Besides compulsory benefits as per legal regulations, VietABank has independent benefits 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 2017, HR quality of VietABank was improved by lowering the average age of staff and increasing quality standards in recruitment, in parallel with organizing and implementing in-house training and training by external providers.

VietABank organized 102 direct training courses with 2,293 participants, 19% increase from the same period in the previous year; especially in the context of technology development, VietABank invested in online learning with 6,618 hours of learning on E-learning system. VietABank sent 38 groups of staff to attend 16 external training courses organized by associations, business organizations, academies to learn and update on advanced, modern know-how in banking operation. The total number of training turns in 2017 was 8,901 for both face-to-face and online through E-learning system.

In 2017, VietABank training center updated and upgraded the direct E-learning training system and training website to increase tools and functions for users to create favorable conditions for employees to promote their self-learning, self-training, self-practice capacity, thus support employees in professional development.

4 Achievements and social acknowledgement

VietABank's successes in 2017 were attached to the bank's continuous efforts in enhancing service quality, providing efficient, professional, innovative financial-banking solutions to optimize financial efficiency for customers. These efforts have proved fruitful with credible awards which register VietABank's contributions to socio-economic development and confirm the bank's position in the financial market.



From gained achievements

With the motto of placing customers' satisfaction in the center of all business activities, VietABank continuously enhances its operation mechanism, quality of employees system-wide to better cater for the various demands of customers.

In parallel with constantly expanding its network size nationwide, VietABank has been proactive in implementing convenient products and services suitable for a diversity of customers, especially the e-banking service with the advantage of convenient transaction, maximum safety and confidentiality.

2017 witnessed many steps of growth and innovation in VietABank services, bringing to customers experiences of the modern banking services. VietABank made remarkable breakthroughs with the application of modern technology in banking operations:



The achievements of VietABank has proved that the Bank is adopting modern, sustainable development, contributing to strengthening trust in the Vietnam banking system and bringing it up to the international standard. With powerful growth potential, VietABank signed contracts of comprehensive cooperation with many large enterprises, including Chubb Life Vietnam. This cooperation with Chubb Life Vietnam has confirmed the credible brand name and position of VietABank in the market. Chubb Life Vietnam is a member of Chubb Group – the American financial and insurance group with impressive reputation and position in the international market, and a long-standing history of over 130 years, having business in 54 countries worldwide and total asset of over 163 billion USD.



REPUTABLE AWARDS

Overcoming difficulties in market and financial changes, VietABank maintained its impressive growth momentum in the entire year of 2017. Beside advantages of superior product quality, stable business performance, convenient services, attractive interest rates also helped VietABank gain the support of a majority of customers.

With the impressive development in 2017, VietABank had the honor to receive 4 reputable titles and awards including “Top 500 largest enterprises of Vietnam” by Vietnam Report – VNR and VietnamNet; “Vietnamese Excellent Brand award” by Vietnam Economic Times and Vietnam Trade Promotion Agency; “Top 10 reputable brand names” by Vietnam Standards and Quality Institute and Directorate of Standards and Quality, Intellectual Property Development Center – National Office of Intellectual Property of Vietnam.

In 2018, VietABank continues to reap pride-worthy accomplishments marked by dynamic business activities. To celebrate its 15th anniversary, VietABank had the honor to receive the Certificate of Merit of the Governor of the State Bank of Vietnam, the award Best Bank for Sustainable Development Vietnam 2018 from Global Banking and Finance Review (UK).

With these awards, VietABank is in the top banks with high credit scores in terms of brand name credibility and product quality. Moreover, these awards are proof of the position and reputation of VietABank in the market. From these acknowledged accomplishments, VietABank continues to make nonstop efforts to further contribute to the banking industry and national socio-economic development.



The award
“Vietnamese Excellent Brand award”



The award
“Top 10 reputable brand names”



The award
“Top 500 largest enterprises of Vietnam”

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



BEST BANK FOR SUSTAINABLE DEVELOPMENT VIETNAM 2018



5 Community and charity activities

2017 marked a variety of remarkable community and charity activities of VietABank staff over the entire system.

Among these include some outstanding programs such as VietABank realizing start-up dreams at Shark Tank Vietnam; Contributing to support people in flooded areas; Lighting dreams of 2017; Contributing to organizing Mid-Autumn Festival for children with difficult living conditions and presenting gifts to patient of National Institute of Hematology and Blood Transfusion. These activities of VietABank staff was proof of mutual support for fellow people, which is a tradition of Vietnam nation, community responsibilities and living up to customers' trust. The journey "for community responsibilities" of VietABank in 2017 was completed with compassionate deeds.



VIETABANK REALIZING START-UP DREAMS AT SHARK TANK

As a sole sponsor bank of the program, VietABank contributed to realizing start-up dreams at Shark Tank, leading the program to success with positive influence on the start-up community of Vietnam. Shark Tank Vietnam Season 1 welcomed 500 start-ups who registered. Among these, 48 start-ups passed into the negotiation round with a total of 22 projects getting the program's commitment of investment. A total of over 116 VND billion, equivalent to over 5 USD million, was granted to start-ups to develop their business.



Supporting people in flooded areas

In early August 2017, in the mountainous and high land areas in the North, especially in Muong La district (Son La), Mu Cang Chai district (Yen Bai), floods and land slides caused tremendous damages to human and properties. To help relieve the losses and pains of affected people, VietABank staff donated a sum of 81 million dong to people in the flooded areas.



Organizing “Lighting dreams of 2017”

From 12 to 15 October 2017, representatives of VietABank Youth Union put on their blue charity shirts together with staff of the State Bank, Hanoi Branch, organized the charitable program “Lighting dreams of 2017” at Minh Hoa district, Quang Binh province. The group visited and presented gifts to kindergartens, primary, secondary and high schools of the district. Among the gifts were a clean water well, 28 scholarships, 300 uniform shirts, 120 blankets, 44 gift packages to families of war veterans and invalids, families who contributed to the revolution in the villages. The total value of the gifts was 400 VND million.



Launching “Mid-Autumn Festival for children with difficult living conditions

To bring joy to the unlucky children of families with difficult living conditions, VietABank branches cooperated with local authorities to organize Mid-Autumn Festival activities and present gifts to pupils of such families in the areas.

Presenting gifts to patient of National Institute of Hematology and Blood Transfusion in Hanoi

On 14 March 2017, VietABank charitable group visited and presented 50,000,000 dong to junior patient Tran Thanh Binh at the National Institute of Hematology and Blood Transfusion. Tran Thanh Binh (aged 6) suffered from inborn Thalassemia. This was the second time Tran Thanh Binh received support from VietABank with the total amount of VND 100,000,000. The cost of each transplantation of hematopoietic stem cells from umbilical cord blood collected in the community ranges from 800 VND million to 1 VND billion. Therefore support from the community and society is much needed.



Over the entire journey of charity and support activities for the community in the past year, VietABank always understood that these were opportunities for each employee to promote the spirit of community support, show compassion and responsibility for community, and thus develop “VietABank unique culture”. Each deed of sharing and contribution of every member in the VietABank family helped light up the fire of hope, support dreams of people in difficulties in the society. This explains why VietABank is always one of the leading brands in social welfare and environment protection.

In the coming time, the Management and employees of VietABank will continue the journey “accompanying community” to bring happiness and hope to unlucky people.

IV. ASSESSMENT REPORT OF THE BOARD OF GENERAL DIRECTORS

1. Assessment of business performance in 2017

In 2017, the Vietnam economy experienced many turbulences, the operational quality of the banking system was improved but competition was fierce, lending interest rates continued to decrease, with business of the banking system containing potential risks.

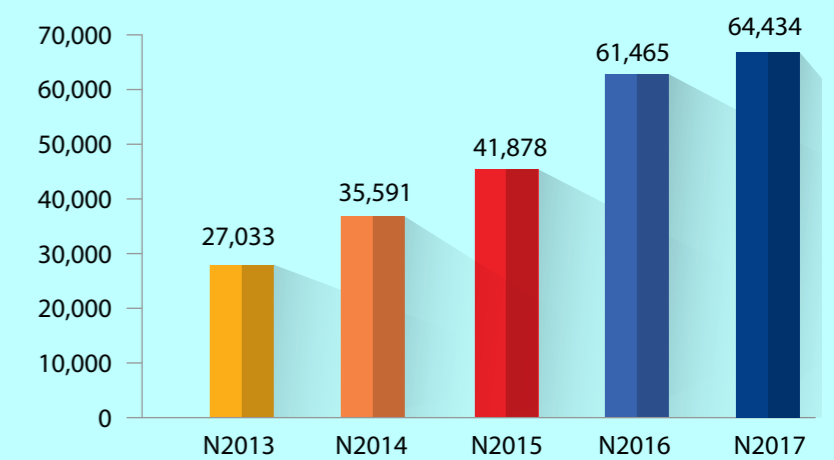
With the strategic orientation of the BOD, detailed action plans and goals as well as flexible responsive scenarios helped VietABank achieve positive results.

Outstanding results in 2017:

- ✓ VietABank strived to achieve the goal of a healthy, efficient, safe balance sheet, meeting all safety requirements of the State Bank.
- ✓ Implement rigorous activities in the strategic customer segment, contribute to the sustainable and stable increase of the bank's mobilized capital.
- ✓ Actively and continuously handle, collect and make provisions for existing bad debts.
- ✓ More buoyant interbank business, with developed connections and larger number of credit organizations who raised limits.

Unit: VND billion

TOTAL ASSETS



Total assets

Up to 31 December 2017, total assets was 64,434 VND billion, increased by 2,969 VND billion, 4.8% higher than 2016, with the growth rate of 2013-2017 of 24.35%. The bank continued to develop sustainably in terms of size and asset quality, maintaining list of assets with high and reasonable liquidity, ensuring capital safety ratio of 10.24%.

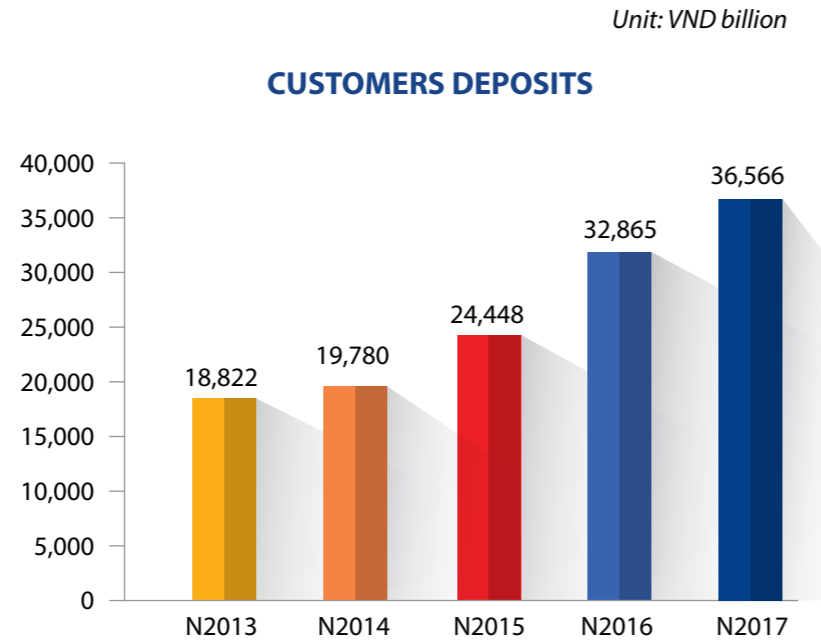
Capital mobilization

VietABank continued to execute the policy of diversifying capital structure, mobilizing from various customer groups including individuals, economic organizations, financial organizations in the country, approaching international financial organizations... In 2017, VietABank continued to boost mobilization through the issuance of valuable papers, reinforcing medium and long term capitals, securing and maintaining short term capitals for medium and long term loans at a safe proportion.

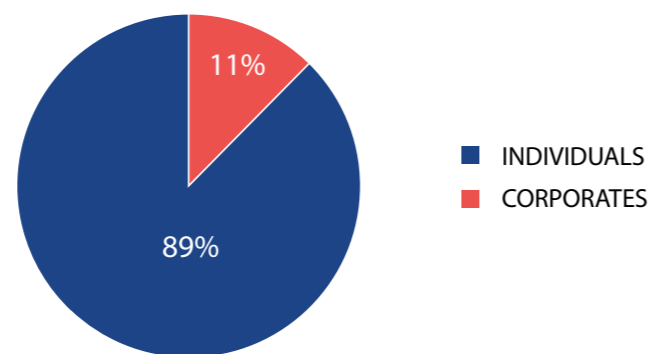
Mobilized size increased significantly in 2017 with total mobilized amount of 59,336 VND billion, 2,644 VND billion higher than in 2016.

Mobilized amount from economic organizations and individuals was 36,566 VND billion, 3,701 VND billion and 11.3% higher than 2016. Increased mobilization generated enough capitals for credit growth and balancing the bank's liquidity.

Mobilization from corporates was 4,139 VND billion, from individuals 32,427 VND billion.



DEPOSITS BY CUSTOMER GROUPS (Up to 31 December 2017)



Capital mobilization structure achieved efficient and sustainable growth. Medium and long term capitals took significant proportion (37%). Mobilized capitals from individuals' deposits was over 81% of total customers' deposits. Branches always prioritize retaining current customers and developing new customers, with marketing and customer care taking a central position.

To achieve these results, VietABank actively developed suitable products, implemented focal programs for each area and each customer segment with flexible interest rates, utilized the strength of VIP customers, young corporate customers and the expansive network, together with internal competitions, reinforced sales team and customer care skills in order to increase mobilization size at each office.

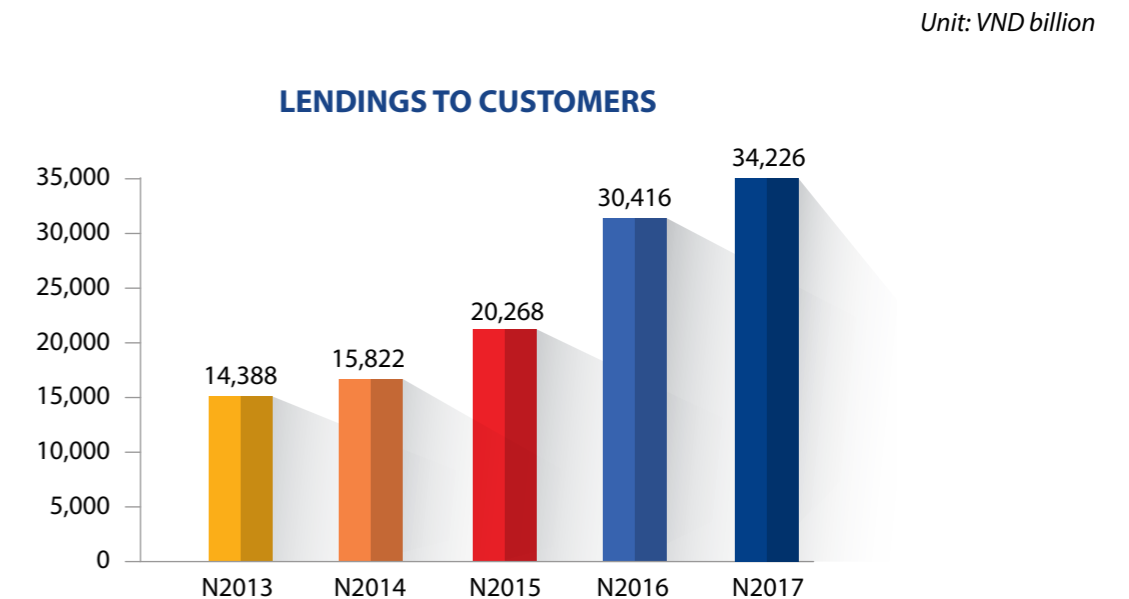


Lendings

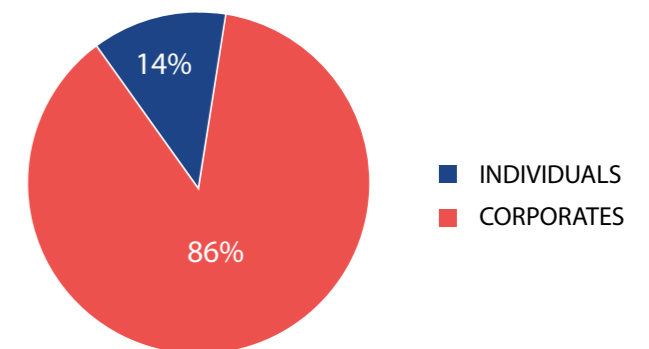
VietABank pursues the orientation of safe and sustainable development, with increased debt balance for customers with good business performance. Increased debt balance aims to balance risk management safety with efficient credit quality. The bank made great efforts in promoting credit growth in 10 pivotal sectors, releasing funds for customers with good credit ratings, as well as enhancing risk administration and post-disbursement debt management.

Up to 31 December 2017, lendings to customers was 34,226 VND billion, 3,810 VND billion higher than in 2016. Growth rate of 2013-2017 increased by 24%.

Loan structure was heavy on VND, accounting for 34,112 VND billion, equivalent to 99.65% total debt balance; loans in foreign currencies was 114 VND billion. Loans in gold and foreign currencies decreased due to the Government's controlling and tightening policies on foreign currency lendings and antidollarization.



LENDINGS BY CUSTOMER GROUPS (Up to 31 December 2017)



VietABank continued to restructure credit portfolio to sectors, customers and restrict credit granting in potentially risky sectors, focus on preferential sectors: Manufacturers, import and export, logistics, medical and pharmaceutical enterprises; Economic groups, large corporations using many domestic and international banking services.

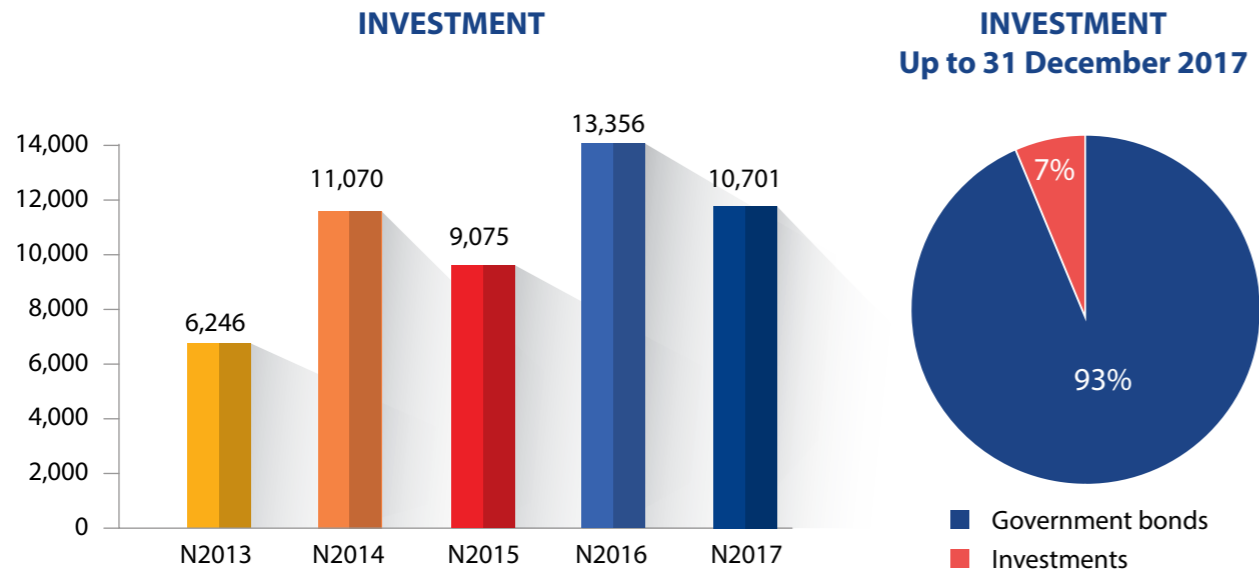
Develop in size goes hand in hand with quality of credit grants, VietABank settled some debts of large amount that existed for years.

At the end of 2017, bad debts (3-5) amounted 916 VND billion, equivalent to 2.68%, lower than the standard of the State Bank of 3%.

Investment

Investment portfolio includes mainly government bonds, taking up 93% total investment portfolio of VietABank.

Unit: VND billion



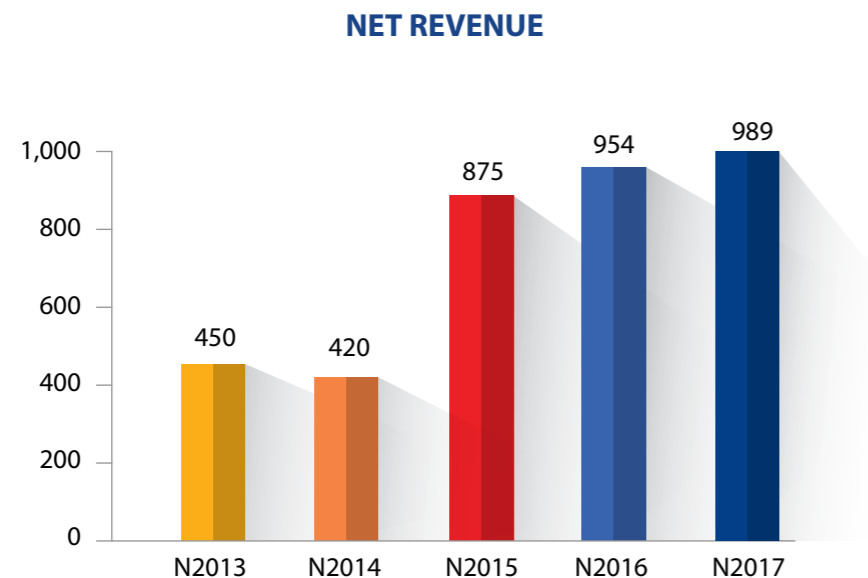
Income

Total income of the bank grew sustainably, in which net revenue from interests was 1,144 VND billion. This result was due to the efforts in applying strict management policies on asset structure and credit quality.

Operational costs of 2017 was 559 VND billion, 15% (73 VND billion) increase from 2016 in the context VietABank continued enhancing investment in human resources, relocations, repair of head quarter and offices, improving service quality and image in the new brand recognition system.

Costs of provisions for credit risks of 2017 was 308 VND billion. VietABank made full provisions for credit risks and provisions for VAMC bonds in the timeline approved by the State Bank.

Unit: VND billion



Innovations and progresses

In 2017, VietABank initially performed the rigorous restructure of the network system. As such, VietABank operated the structural and organizational functions of branches and transaction offices in order to organize management to regions, improve efficiency, establish a balance with risks and focus on key distribution channels in the North, Central and South.

VietABank performed the enhancement and restructure of management staff in branches and transaction offices, increasing the role of director of business units to the level of regional directors; Continuously upgrading professional procedures, increasing automatic technology capacity in operational stages in order to increase efficiency, support business and monitor risks.

In term of customer services, in 2017, VietABank raised the standards of customer services quality and organized trainings for distribution channels. Survey results proved customer services quality and brand equity of 2017 were remarkably improved compared to 2016.

2 Directions for business operation 2018

Financial criteria

- ✓ Total assets of 70,160 VND billion, 9% increase from 2017.
- ✓ Mobilization from economic organizations and individuals of 42,990 VND billion, 18% increase from 2017.
- ✓ Total credit granting growth of 10%, 3,450 VND billion increase from 2017.
- ✓ Earnings before tax of 312 VND billion.
- ✓ Bad debt ratio of under 3%.



Major targets of 2018

Based on the performance of 2017, economic forecast of 2018, current and to be developed resources in 2018, VietABank targets the following business goals:

- Growth in size and development of customer base

Develop groups of strategic customers to segments of State enterprises/Private business corporations/FDI... through chain connections and sector connections, associations, prioritizing capital mobilization, credit granting to product packages and develop debt structural, debt trading products, investment products to generate immense profits.

+ Develop the bancassurance product.



- Risk and asset quality administration

+ Actively restructure bad debts and rigorously handle and collect bad debts: Organize effective system of handling bad debts, select and focus suitable resources and improve the sense of responsibilities of employees in charge of managing and handling debts; Actively control and timely prevent incurred overdue and bad debts.

+ Improve quality of asset administration: Standardize procedures from assessment, approval, disbursement and monitoring debts with KPI for groups of tasks; Control and monitor business units in compliance with legal regulations and VietABank procedures; Develop policies, regulations, procedures and manage

liabilities - assets structure, perform sustainable restructure, risk mitigation and efficiency enhancement.

+ Manage, monitor costs efficiently.

+ Continue to perform internal periodical and unexpected checking and monitoring of activities in order to secure safe operation of VietABank.

+ Continue to review, update and adjust professional policies and documents of VietABank in accordance with banking operation and changes in business and legal environment.

- Establish and develop organization and system

+ Implement and complete organizational structure, mechanism of system administration and development, procedures of establishing hierarchy and empowering in parallel with mechanism of cooperation, monitoring to increase proactiveness and vigorous implementation of plans.

+ Develop strong human resources especially at the managerial levels of Clusters, Regions and large Branches ; Attract human resources, especially those directly involved in sales, provide continuous training; Improve work productivity with a focus on quality instead of quantity; Establish a system to measure work efficiency; Develop incentives in accordance with contributions and develop career paths.

+ Implement and complete the system of sales and services; Improve the quality of professional operations and service quality; Generate strong improvement of the quality of counter services and sales force; Improve managerial, marketing, customer care and consultation skills for each target customer group.

+ Ensure information security and Corebanking system upgrade with modern, advanced technology and the application of technology in management and operation,

focus on technology and digital banking development as a priority; Boost the automation of supporting services system-wide to meet the demand of the fastly developing business operations, as well as improve service quality and increase convenience for customers in transactions or using VietABank products and services, thus enhance the bank's competitiveness in the market.

+ Network development: Complete the application for opening 4 new branches in Hanoi, Nghe An, prepare human resources for the opening ceremony in the second half of 2018; Continue to review and reorganize the comprehensive network system for more efficient operation; Develop and complete the standardized system for system-wide network development.

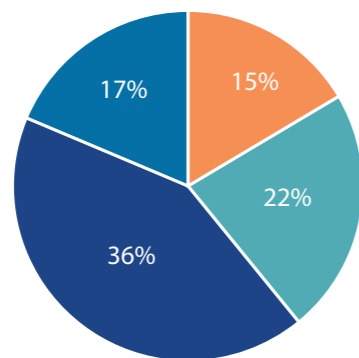
+ Reposition brand and enhance corporate image by boosting communication and public relationship to promote, maintain and enhance VietABank image, enhance brand recognition in the public; Manage risks in information and communication promptly and efficiently; Communicate business culture expansively and immensely; Improve anti-corruption work.

V. OPERATIONAL NETWORK OF VIETABANK



VietABank has 91 business units nationwide. In early 2017, VietABank opened 4 new branches in Bac Ninh, Quang Ninh, Hai Phong and Phan Thiet and continued to complete the application to open 4 more branches in the North and Central regions in 2018, increasing the total number of branches in these areas in accordance with the development strategy of the Bank.

Branches and transaction offices in geological regions



- The North and Hanoi
- The Central and Central Highlands
- The Southeastern and Hochiminh City
- The West-Eastern



Branches, Transaction offices	Telephone	Fax	Address
Head Quarter	024 39 333 636	024 39 33 64 34	34 Han Thuyen, Pham Dinh Ho Ward, Hai Ba Trung Dist., Hanoi
VAB Hanoi	024 39 333 636	024 39 33 64 34	34 Han Thuyen, Pham Dinh Ho Ward, Hai Ba Trung Dist., Hanoi
VAB 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
VAB Ba Dinh	024 37 225 247		No. 9 Zone A, Alley 12 Doi Can Str., Doi Can Ward, Ba Dinh Dist., Hanoi, (No. 42 Giang Van Minh Str.)
VAB Phan Dinh Phung	024 37 343 021	024 37 343 020	41 Phan Dinh Phung Str., Quan Thanh Ward, Ba Dinh Dist., Hanoi
VAB Kim Dong	024 36 368 349	024 33 117 677	69 Kim Dong, Giap Bat Ward, Hoang Mai Dist., Hanoi
VAB Long Bien	24 39 696 696		199 Nguyen Van Cu, Ngoc Lam Ward, Long Bien Dist., Hanoi
VAB Ha Dong	024 33 117 676	024 33 117 677	A16-TT9, Van Quan Yen Phuc Urban Area, Ha Dong Dist., Hanoi
VAB 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
VAB Tay Ho	024 22 159 888		No. 611 Hoang Hoa Tham, Vinh Phuc Ward, Ba Dinh Dist., Hanoi
VAB Trung Tam	024 62 814 015		135 Yen Lang, Thinh Quang Ward, Dong Da Dist., Hanoi
VAB 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
VAB Bac Ninh	0222 3 611 999		Lot CC03-B7 (Land lot no. 7) Public residential and service area Cat Tuong, Ly Thai To Rd., Bac Ninh City, Bac Ninh
VAB Quang Ninh	0203 3 826 628		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)
VAB 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
VAB Da Nang	0236 3 849 393	0236 3 823 369	33 Hung Vuong, Hai Chau I Ward, Hai Chau Dist., Da Nang
VAB TT Thuong Nghiep	0236 3 818 789	0236 3 823 685	284 Ong Ich Khiem, Tan Chinh Ward, Thanh Khe Dist., Da Nang
VAB Son Tra	0236 2 241 473	0236 3 913 055	307 Ngo Quyen, An Hai Bac Ward, Son Tra Dist., Da Nang
VAB An Hai	0236 2 217 780	0236 3 640 202	132 Dien Bien Phu, Chinh Gian Ward, Thanh Khe Dist., Da Nang
VAB Trung Nu Vuong	0236 3 633 624	0236 3 633 625	580 Trung Nu Vuong, Hoa Thuan Tay Ward, Hai Chau Dist., Da Nang (new number 116 Nguyen Huu Tho)
VAB Tran Cao Van	0236 3 661 922	0236 3 661 924	878 Tran Cao Van, Thanh Khe Dong Ward, Thanh Khe Dist., Da Nang
VAB Thanh Khe	0236 3 664 222	0236 3 3561 456	64 Ham Nghi, Thac Gian Ward, Thanh Khe Dist., Da Nang
VAB Hai Chau	0236 3 898 033	0236 3 898 034	Ground floor No. 05 Dong Da, Thach Thang Ward, Hai Chau Dist., Da Nang
VAB Hoi An	0235 3 910 800	0235.3910.801	567A Hai Ba Trung, Cam Pho Ward, Hoi An City, Quang Nam
VAB Dien Ban	0235 3 767 222	0235 3 767 224	69 National Highway 1A, Vinh Dien Town, Dien Ban Dist., Quang Nam (new number 168 Tran Nhan Tong, Vinh Dien Ward, Dien Ban Dist., Quang Nam)
VAB Thang Binh	0235 3 675 875	0235 3 675 876	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)
VAB Tam Ky	0235 3 814 888	0235 3 814 418	116 Phan Chu Trinh, An My Ward, Tam Ky Dist., Quang Nam
VAB Phan Chu Trinh	0235 3 917 555	0235 3 917 918	02 Phan Chu Trinh, Minh An Ward, Hoi An City, Quang Nam
VAB Duy Xuyen	0235 3 777 010	0235 3 777 050	Solidarity group 3, Block Long Xuyen 2, (new number 06 Hung Vuong), Nam Phuoc Town, Duy Xuyen Dist., Quang Nam
VAB Quang Ngai	0255 3 712 544	0255 3 712 546	27 Phan Dinh Phung, Tran Hung Dao Ward, Quang Ngai City, Quang Ngai
VAB Binh Son	0255 3 512 501	0255 3 512 500	359 Pham Van Dong, residential group no 3, Chau O Town, Binh Son Dist., Quang Ngai
VAB Duc Pho	0255 3 976 868	0255 3 976 768	618 Nguyen Nghiem, Duc Pho Town, Duc Pho Dist., Quang Ngai

Branches, Transaction offices	Telephone	Fax	Address
VAB Thach Tru	0255 3 761 555	0255 3 761 333	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)
VAB Le Trung Dinh	0255 3 715 125	0255 3 718 989	191 Le Trung Dinh, Nghia Chanh Ward, Quang Ngai City, Quang Ngai
VAB Son Tinh	0255 3 841 777	0255 3 841 111	460 Nguyen Van Linh, Truong Quang Trong Ward, Quang Ngai City, Quang Ngai
VAB Quy Nhon	0256 3 815 858	056 3 815 959	268 Le Hong Phong, Tran Hung Dao Ward, Quy Nhon City, Binh Dinh
VAB Buon Ma Thuot	0262 3 999 399	0262 3 999 299	35 Quang Trung, Thong Nhat Ward, BMT City, Dak Lak
VAB Phan Thiet	0252 3 831 166	0252 3 831 179	No. 02 Le Hong Phong, Binh Hung Ward, Phan Thiet City, Binh Thuan (Lobby B, Ground floor, Building Vien Thong Binh Thuan)
VAB Ho Chi Minh City	028 292 497 208	028 39 143 359	119 - 121 Nguyen Cong Tru, Nguyen Thai Binh Ward, Dist. 1, HCM City
VAB Thu Thiem	028 66 833 814		79 Song Hanh, An Phu Ward, Dist. 2, HCM City
VAB Khanh Hoi	028 39 450 376	028 39 450 342	143 Khanh Hai, Ward 3, Dist. 4, HCM City
VAB District 7	028 38 730 650	028 38 730 651	965B Huynh Tan Phat, Phu Thuan Ward, Dist. 7, HCM City
VAB District 9	028 37281 294	028 37 281 292	469A Do Xuan Hop, Block 5, Phuoc Long B Ward, Dist. 9, HCM City
VAB Nam Sai Gon	028 37 754 437	028 37 750 178	215 Nguyen Thi Thap, Tan Phu Ward, Dist. 7, HCM City
VAB Cho Lon	028 38 359 899		93, 95 and 97 An Duong Vuong, Ward 8, Dist. 5, HCM City
VAB Hoa Binh	028 39 231 290		331 Tran Phu, Ward 8, Dist. 5, HCM City
VAB Phung Hung	028 38 555 571		207 Hai Thuong Lan Ong, Ward 13, Dist. 5, HCM City
VAB Hong Bang	028 39 609 495		151 Hau Giang, Ward 5, Dist. 6, HCM City
VAB Phu Lam	028 38 779 014		234D Nguyen Van Luong, Ward 11, Dist. 6, HCM City
VAB Ly Chieu Hoang	028 39 802 715		368 -370 Tung Thien Vuong, An Lac Ward, Binh Tan Dist., HCM City
VAB Tan Binh	028 39 712 312	028 39 712 313	31 (new number 496) Ly Thuong Kiet, Ward 7, Tan Binh Dist., HCM City
VAB Tan Phu	028 22 400 908		217 Luy Ban Bich, Tan Thanh Ward, Tan Phu Dist., HCM City
VAB Truong Chinh	028 62 963 483		493B Truong Chinh, Ward 14, Tan Binh Dist., HCM City
VAB Tan Son Nhat	028 39 481 591		103 Tran Quoc Hoan, Ward 4, Tan Binh Dist., HCM City
VAB Go Vap	028 39 897 617		25 Nguyen Thai Son, Ward 03, Go Vap Dist., HCM City
VAB Lac Long Quan	028 38 601 993	028 39 753 703	343K Lac Long Quan, Ward 5, Dist. 11, HCM City
VAB Cho Thiec	028 62 891 542	028 62 891 544	102 Pho Co Dieu, Ward 4, Dist. 11, HCM City
VAB Binh Tan	028 37 620 092	028 37 620 093	301 Inner Ring Road, Binh Tri Dong B Ward, Binh Tan Dist, HCM City
VAB 3 Thang 2	028 38 685 456	028 38 685 457	476 3 Thang 2 Rd, Ward 14, Dist. 10, HCM City
VAB District 10	028 38 345 618	028 38 345 618	302 Ngo Gia Tu, Ward 4, Dist. 10, HCM City
VAB Sai Gon	028 39 291 063	028 39 293 321	229 Nguyen Dinh Chieu, Ward 5, Dist. 3, HCM City
VAB Binh Thanh	028 35 214 990	028 35 124 987	196 Xo Viet Nghe Tinh, Ward 21, Binh Thanh Dist., HCM City
VAB Ba Chieu	028 62 588 594	028 62 588 604	127K Dinh Tien Hoang, Ward 3, Binh Thanh Dist., HCM City
VAB Hoang Viet	028 62 928 695	028 39 912 643	27A Hoang Viet, Ward 4, Tan Binh Dist., HCM City
VAB Le Thi Rieng	028 39 778 076		699 CMT8, Ward 6, Tan Binh Dist., HCM City
VAB Cu Chi	028 37 925 162	028 37 925 163	Part of Ground floor, Building Road D3 Tay Bac Cu Chi Industrial Zone, Bau Tre 2 Commune, Tan An Hoi Village, Cu Chi Dist., HCM City
VAB Hoc Mon	028 37 107 690	028 37 107 691	84 Ly Thuong Kiet, Hoc Mon Town, Hoc Mon Dist., HCM City
VAB Tan Quy	028 37 355 789	028 37 355 788	19 Provincial Road 8, 1A Commune, Tan Thanh Tay Village, Cu Chi Dist., HCM City
VAB Tay Bac Cu Chi	028 37 928 767	028 37928 768	170 Provincial Road 8, Block 2, Cu Chi Town, Cu Chi Dist., HCM City

Branches, Transaction offices	Telephone	Fax	Address
VAB Binh Duong	0274 3 872 830	0274 3 872 831	Ground floor Becamex Binh Duong Commercial Center Building 230 Binh Duong Highway, Phu Hoa Ward, Thu Dau Mot City, Binh Duong
VAB Lai Thieu	0274 3 636 860	0274 3 636 808	103 Bis Nguyen Van Tiet, Lai Thieu Ward, Thuan An Town, Binh Duong
VAB Dong Nai	0251 3 857 513	0251 3 857 518	3-5 Dong Khoi, Tam Hoa Ward, Bien Hoa City, Dong Nai
VAB Ho Nai	0251 3 880 506	0251 3 880 509	11/5 Block 1, Tan Bien Ward, Bien Hoa City, Dong Nai
VAB Bien Hoa	0251 8 822 722	0251 8 822 720	62/7 Pham Van Thuan, Block 2, Tam Hiep Ward, Bien Hoa City, Dong Nai
VAB Can Tho	0292 3 811 196	0292 3 734 108	04 Phan Van Tri, An Phu Ward, Ninh Kieu Dist., Can Tho City
VAB An Nghiep	0292 3 731 940	0292 3 731 942	141A Tran Hung Dao, An Phu Ward, Ninh Kieu Dist., Can Tho City
VAB Binh Thuy	0292 3 889 156	0292 3 881 225	95/1 Cach Mang Thang 8, An Thoi Ward, Binh Thuy Dist., Can Tho City
VAB Phu An	0292 3 917 976	0292 3 917 975	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
VAB Ninh Kieu	0292 3 817 761	0292 3 817 764	95 Xo Viet Nghe Tinh, An Cu Ward, Ninh Kieu Dist., Can Tho City
VAB Thot Not	0292 3 611 661	0292 3 611 662	568 National Highway 91, Long Thanh A Area, Thot Not Ward, Thot Not Dist., Can Tho City
VAB Cai Rang	0292 3 527 299	0292 3 527 199	440 Yen Ha Area, Le Binh Ward, Cai Rang Dist., Can Tho City
VAB O Mon	0292 3 687 467	0292 3 687 466	220 26/3 Rd., Chau Van Liem Ward, O Mon Dist., Can Tho City
VAB An Giang	0296 3 940 345		1296 Tran Hung Dao, My Xuyen Ward, Long Xuyen City, An Giang
VAB Chau Phu	0296 3 684 567	0296 3 684 686	16 National Highway 91, Cai Dau Town, Chau Phu Dist., An Giang
VAB Chau Doc	0296 3 566 588	0296 3 566 589	202 Trung Nu Vuong, Chau Phu B Ward, Chau Doc City, An Giang
VAB Tan Chau	0296 3 596 066	0296 3 596 035	33 Nguyen Van Cu, Block Long Thanh A, Long Thanh Ward, Tan Chau Town, An Giang
VAB Long Xuyen	0296 3 911 123	0296 3 911 234	1-3 Tran Quoc Toan, My Binh Ward, Long Xuyen City, An Giang
VAB Bac Lieu	0291 3 959 171	0291 3 957 907	134F/4 23/8 Rd., Ward 7, Bac Lieu City, Bac Lieu
VAB Hoang Van Thu	0291 3 969 669	0291 3 969 779	99 Hoang Van Thu, Ward 3, Bac Lieu City, Bac Lieu
VAB Gia Rai	0291 3 487 779	0291 3 847 889	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)
VAB Hoa Binh Bac Lieu	0291 3 883 363	0291 3 883 373	Town commune B, Hoa Binh Town, Hoa Binh Dist., Bac Lieu

VI. FINANCIAL REPORT

1 Auditor's note



No.: A0617267-HN/AISC-DN6

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

Office: 389A Điện Biên Phủ, Phường 4, Quận 3, TP. Hồ Chí Minh
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 REPORT

To:

**The Shareholders, Board of Management and Board of General Directors
VIETNAM - ASIA COMMERCIAL JOINT STOCK BANK**

We have audited the consolidated financial statements of VIETNAM - ASIA COMMERCIAL JOINT STOCK BANK ("the Bank") consisting of Consolidated Balance Sheet as at December 31, 2017, Consolidated Income Statement, Consolidated Cash Flows Statement for the year then ended and Notes to the Consolidated Financial Statements as set out on Page 05 to Page 54, which were prepared on April 18, 2018.

Responsibility of the Board of General Directors

The Board of General Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and prevailing regulations applicable to the preparation and presentation of the consolidated financial statements and also for the internal control that the Board of General Directors considers necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditor

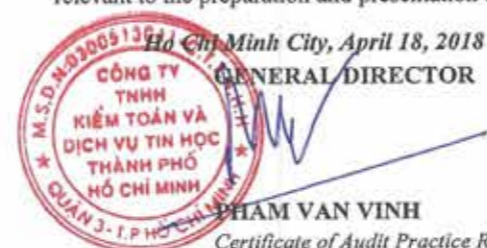
Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 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 General Directors as well as evaluating the overall presentation of the consolidated financial statements.

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

Auditor's opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of VIETNAM - ASIA COMMERCIAL JOINT STOCK BANK as at December 31, 2017 as well as the consolidated results of its operation and its cash flows for the year then ended. The consolidated financial statements are prepared in compliance with the prevailing Vietnamese Accounting Standards, Vietnamese Accounting System for Credit Institutions stipulated by the State Bank of Vietnam and other statutory requirements relevant to the preparation and presentation of the consolidated financial statements.



PHAM VAN VINH
Certificate of Audit Practice Registration
No. 0112-2018-005-1
Issued by the Ministry of Finance

AUDITOR

PHAM THI THANH MAI
Certificate of Audit Practice Registration
No. 1044-2018-005-1
Issued by the Ministry of Finance

2 Audited financial report

CONSOLIDATED BALANCE SHEET

NO	ITEMS	NOTES	Dec.31,2017	Jan.01,2017
A	ASSETS			
I	CASH ON HAND, GOLD AND GEMSTONES	V.01	271,566,347,145	394,046,806,149
II	BALANCES WITH THE STATE BANK OF VIETNAM	V.02	243,616,552,330	250,032,797,911
III	DEPOSITS WITH AND LOANS TO OTHER CREDIT INSTITUTIONS	V.03	12,353,454,916,824	10,190,226,386,090
1	Deposits with other credit institutions		11,353,454,916,824	9,902,159,386,090
2	Loans to other credit institutions		1,000,000,000,000	288,067,000,000
3	Provisions for losses		-	-
IV	HELD-FOR-TRADING SECURITIES	V.04	-	1,368,722,198,188
1	Held-for-trading securities		-	1,370,884,561,726
2	Provisions for losses of held-for-trading securities		-	(2,162,363,538)
V	DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL ASSETS		1,561,550,000	-
VI	LOANS TO CUSTOMERS		33,898,537,148,139	30,005,618,863,723
1	Loans to customers	V.5.1	34,226,235,570,361	30,415,689,594,862
2	Provisions for credit losses of loans to customers	V.5.2	(327,698,422,222)	(410,070,731,139)
VII	DEBTS PURCHASING ACTIVITIES	V.06	1,900,946,560	2,950,946,560
1	Debts purchasing		1,900,946,560	2,950,946,560
2	Provisions for debt purchased		-	-
VIII	INVESTMENT SECURITIES	V.07	12,521,682,278,812	13,817,018,012,990
1	Available-for-sale securities		9,987,502,744,571	11,337,818,757,754
2	Held-to-maturity securities		3,068,937,094,700	2,904,722,289,224
3	Provisions for impairment of investment securities		(534,757,560,459)	(425,523,033,988)
IX	LONG-TERM INVESTMENTS	V.08	313,373,630,000	247,433,630,000
1	Investments in subsidiaries		-	-
2	Investments in joint ventures		-	-
3	Investments in associates		-	-
4	Investments in equity of other entities		313,373,630,000	247,433,630,000
5	Provision for decline in the value of long-term investments		-	-
X	FIXED ASSETS		216,895,851,497	244,343,268,162
1	Tangible fixed assets	V.9	96,480,384,720	117,966,525,639
a	Cost		295,531,486,002	287,239,792,343
b	Accumulated depreciation		(199,051,101,282)	(169,273,266,704)
2	Finance leased assets		-	-
a	Cost		-	-
b	Accumulated depreciation		-	-
3	Intangible fixed assets	V.10	120,415,466,777	126,376,742,523
a	Cost		212,717,049,940	212,218,049,940

CONSOLIDATED BALANCE SHEET (CONTINUED)

b	Accumulated amortisation		(92,301,583,163)	(85,841,307,417)
XI	INVESTMENT PROPERTIES		-	-
a	Cost		-	-
b	Accumulated depreciation		-	-
XII	OTHER ASSETS	V.11	4,611,571,120,505	4,944,799,274,606
1	Receivables		1,334,734,663,075	1,909,738,375,460
2	Accrued interest and fees receivable		2,890,789,678,106	2,802,403,747,867
3	Deferred income tax assets		-	-
4	Other assets		483,451,505,065	232,657,151,279
	In which: Goodwill		-	-
5	Provisions for impairment of other balance sheet assets		(97,404,725,741)	-
TOTAL ASSETS			64,434,160,341,812	61,465,192,184,379

NO	ITEMS	NOTES	Dec.31,2017	Jan.01,2017
B	LIABILITIES AND EQUITY			
I	BORROWINGS FROM THE GOVERNMENT AND THE STATE BANK OF VIETNAM		-	-
II	DEPOSITS AND BORROWINGS FROM OTHER CREDIT INSTITUTIONS	V.12	22,770,280,624,565	23,827,278,940,897
1	Deposits from other credit institutions		13,654,988,390,756	12,619,005,257,542
2	Borrowings from other credit institutions		9,115,292,233,809	11,208,273,683,355
III	DEPOSITS FROM CUSTOMERS	V.13	34,402,402,943,369	32,189,715,999,129
IV	DERIVATIVE FINANCIAL INSTRUMENTS AND OTHER FINANCIAL ASSETS		-	-
V	GIANTS, TRUSTED FUNDS AND BORROWINGS AT RISK OF THE CREDIT	V.14	24,852,998,000	43,473,180,000
VI	VALUABLE PAPERS ISSUED	V.15	2,163,574,657,610	675,349,403,443
VII	OTHER LIABILITIES	V.16	956,595,858,997	711,722,889,176
1	Accrued interest and fees payable		855,113,198,660	653,149,679,227
2	Deferred income tax liabilities		-	-
3	Other liabilities		101,482,660,337	58,573,209,949
4	Provisions for other risk (Provisions for contingent liabilities)		-	-
TOTAL LIABILITIES			60,317,707,082,541	57,447,540,412,645

Unit: VND

NO	ITEMS	NOTES	Dec.31,2017	Jan.01,2017
VIII	CAPITAL AND RESERVES	V.17	4,116,453,259,271	4,017,651,771,734
1	Contributed capital		3,500,102,540,351	3,500,102,398,945
a	Charter capital		3,499,990,470,000	3,499,990,470,000
b	Investment reserve for basic construction, purchased of fixed assets		-	-
c	Share premium		98,600,000	98,600,000
d	Treasury shares		-	-
e	Preferred shares		-	-
f	Other capital		13,470,351	13,328,945
2	Reserves		178,180,092,175	163,359,967,758
3	Foreign exchange differences		-	-
4	Differences upon assets revaluation		-	-
5	Undistributed earnings/Accumulated loss		438,170,626,745	354,189,405,031
TOTAL LIABILITIES AND OWNERS' EQUITY			64,434,160,341,812	61,465,192,184,379

OFF-BALANCE SHEET ITEMS

NO	ITEMS	NOTES	Dec.31,2017	Jan.01,2017
1	Credit guarantees		-	-
2	Commitments on foreign exchange		4,081,350,000,000	1,396,017,000,000
2.1	Commitments on purchase of foreign currencies		-	731,247,000,000
2.2	Commitments on sale of foreign currencies		-	664,770,000,000
2.3	Cross currency swap contracts		4,081,350,000,000	-
2.4	Cross currency futures contracts		-	-
3	Undisputed loan commitment		-	-
4	Letters of Credit		21,036,457,455	102,043,867,730
5	Other guarantees		218,895,113,140	454,761,755,695
6	Other commitments		-	-

Hanoi, 18 of April, 2018

PREPARED BY



Nguyen Huu Cuong

CHIEF ACCOUNTANT



La Quang Trung

CHIEF EXECUTIVE OFFICER



Nguyen Van Hao

Unit: VND

CONSOLIDATED INCOME STATEMENT

NO	ITEMS	NOTES	Dec.31,2017	Jan.01,2017
1	Interest and similar income	VI.18	4,130,321,144,978	3,141,131,640,966
2	Interest and similar expenses	VI.19	2,986,215,394,763	2,307,664,980,223
I	NET INTEREST INCOME		1,144,105,750,215	833,466,660,743
3	Income from services		12,180,813,803	14,783,287,121
4	Expenses on services		19,181,086,473	19,056,191,230
II	NET GAIN/(LOSS) FROM SERVICES	VI.20	(7,000,272,670)	(4,272,904,109)
III	NET GAIN/(LOSS) FROM TRADING FOREIGN CURRENCIES	VI.21	(42,857,915,296)	(68,955,621,559)
IV	NET GAIN/(LOSS) FROM TRADING SECURITIES	VI.22	(82,522,834,271)	119,945,669,959
V	NET GAIN/(LOSS) FROM INVESTMENT SECURITIES	VI.23	35,866,441,053	(87,366,739,860)
5	Other operating income		22,419,251,775	180,484,357,466
6	Other operating expenses		95,674,211,987	29,252,115,658
VI	NET GAIN/(LOSS) FROM OTHER ACTIVITIES	VI.24	(73,254,960,212)	151,232,241,808
VII	INCOME FROM INVESTMENT IN OTHER ENTITIES	VI.25	14,319,981,560	10,366,653,680
VIII	OPERATING EXPENSES	VI.26	558,703,451,758	485,257,225,366
IX	NET PROFIT FROM OPERATING ACTIVITIES BEFORE CREDIT PROVISION EXPENS		429,952,738,621	469,158,735,296
X	PROVISION EXPENSES FOR CREDIT LOSSES	VI.27	308,121,692,935	362,676,091,145
XI	PROFIT BEFORE TAX		121,831,045,686	106,482,644,151
7	Current Corporate income tax		23,029,273,534	7,052,620,310
8	Deferred corporate income tax		-	-
XII	TOTAL INCOME TAX EXPENSE	VI.28	23,029,273,534	7,052,620,310
XIII	PROFIT AFTER TAX		98,801,772,152	99,430,023,841
XIV	MINORITY INTERESTS		-	-
XV	EARNINGS PER SHARE	V.17.2	282	282

Hanoi, 18 of April, 2018

PREPARED BY



Nguyen Huu Cuong

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La Quang Trung

CHIEF EXECUTIVE OFFICER



Nguyen Van Hao

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